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DRAFT RED HERRING PROSPECTUS
Dated November 18, 2025
(Please read Section 32 of the Companies Act, 2013)
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

MILESTONE GEARS LIMITED
CORPORATE IDENTITY NUMBER: U74110HP1984PLC005831

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India	KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India	Mohinder Singh <i>Company Secretary and Compliance Officer</i>	E-mail: investor.relations@milestonegroup.co.in Telephone: +91 1733 218212	www.milestonegroup.co.in

OUR PROMOTERS: ASHOK KUMAR TANDON AND AMAN TANDON

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE [^]	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY & RESERVATIONS
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹8,000.00 million	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹3,000.00 million	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹11,000.00 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 416. For details of share reservation among Qualified Institutional Buyers (“QIBs”), Non-Institutional Bidders (“NIBs”) and Retail Individual Bidders (“RIBs”), see “Offer Structure” on page 439.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME	TYPE	MAXIMUM NUMBER OF EQUITY SHARES OFFERED / AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Ashok Kumar Tandon	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹1,750.00 million	0.01
Aman Tandon	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹500.00 million	0.02
Amit Tandon	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million	0.02
Aradhna Tandon	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million	0.01
Gagandeep Kaur Chawla	Other Selling Shareholder	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million	Negligible

*As certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for the Offer Price” on page 137, 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 and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does, SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 36.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, disclosures or undertakings in this Draft Red Herring Prospectus, including, inter-alia, any of the statements made by or relating to our Company or its business or any other persons or any of the other Selling Shareholder in this Draft Red Herring Prospectus.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”, and together with NSE, the “Stock Exchanges”). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF BRLM AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
JM Financial Limited	 Prachee Dhuri	E-mail: Milestonegears.ipo@jmfl.com Telephone: +91 22 6630 3030
Axis Capital Limited	 Ankit Bhatia/Krish Jain	E-mail: Milestonegears.ipo@axiscap.in Telephone: +91 22 4325 2183
Motilal Oswal Investment Advisors Limited	 Sukant Goel/Vaibhav Shah	E-mail: mgl.ipo@motilaloswal.com Telephone: +91 22 7193 4380

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	Email: milestone.ipo@kfintech.com Telephone: +91 40 6716 2222 / 1800 3094001

BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE*	[●]*	BID / OFFER OPENS ON	[●]	BID / OFFER CLOSING ON#	[●]**

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

**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.

#The UPI mandate end time and date shall be at 5:00 p.m. on the Bid / Offer Closing Date.

^ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.



MILESTONE GEARS LIMITED

Our Company was originally incorporated as 'Milestone Gears Private Limited' at Jalandhar, Punjab as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 27, 1984, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on October 1, 2025, and the name of our Company was changed to Milestone Gears Limited, and a fresh certificate of incorporation dated October 7, 2025 was issued to our Company by the Registrar of Companies, Central Processing Centre. For further details, see "History and Certain Corporate Matters – Brief history of our Company" and "History and Certain Corporate Matters – Change in registered office of our Company" on page 278.

Corporate identity number: U74110HP1984PLC005831; **Website:** www.milestonegroup.co.in;

Registered Office: 58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India; **Corporate Office:** KK-11,12 & 13, HSIDC Industrial Estate, Kalka – 133 302, Haryana, India

Contact Person: Mohinder Singh, Company Secretary and Compliance Officer;

Telephone: +91 1733 218212; **E-mail:** investor.relations@milestonegroup.co.in

PROMOTERS OF OUR COMPANY: ASHOK KUMAR TANDON AND AMAN TANDON

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹11,000.00 MILLION ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹8,000.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("OFFERED SHARES") AGGREGATING UP TO ₹3,000.00 MILLION, COMPRISING UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1,750.00 MILLION BY ASHOK KUMAR TANDON, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹500.00 MILLION BY AMAN TANDON (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹250.00 MILLION BY AMIT TANDON, UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹250.00 MILLION BY ARADHNA TANDON (COLLECTIVELY, THE "PROMOTER GROUP SELLING SHAREHOLDERS"), UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹250.00 MILLION BY GAGANDEEP KAUR CHAWLA (THE "OTHER SELLING SHAREHOLDER" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS AND THE PROMOTER GROUP SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A PRE-IPO PLACEMENT AGGREGATING UP TO ₹1,600.00 MILLION, AS MAY BE PERMITTED UNDER APPLICABLE LAW, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. THE UTILISATION OF THE PROCEEDS RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE DONE TOWARDS THE OBJECTS IN COMPLIANCE WITH APPLICABLE LAW. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER, OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. OUR COMPANY SHALL REPORT ANY PRE-IPO PLACEMENT TO THE STOCK EXCHANGES, WITHIN 24 HOURS OF SUCH PRE-IPO PLACEMENT (IN PART OR IN ENTIRETY) IN ACCORDANCE WITH REGULATION 54 OF SEBI ICDR REGULATIONS. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARE IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY. IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF HIMACHAL PRADESH WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid / Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar 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, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and by indicating the change on the respective website of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and 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", and such portion, 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 ("Anchor Investor Portion"). Forty-percent of the Anchor Investor Portion shall be reserved for (i) 33.33 per cent for domestic Mutual Funds; and (ii) 6.67 per cent for Life Insurance Companies and Pension Funds and subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds, as applicable, at or above the price at which allocation will be made to Anchor Investors ("Anchor Investor Allocation Price") in accordance with the SEBI ICDR Regulations and any under-subscription under (ii) may be allocated to domestic Mutual Funds. 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) (the "Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, 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 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 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds shall be reserved for Bidders 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 Bidders in the other sub-category) and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, see "Offer Procedure" on page 443.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2 each. The Offer Price, Floor Price or the Price Band as determined by our Company, in accordance with the 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 under "Basis for the Offer Price" on page 137, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 36.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the 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 dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the 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 the Red Herring Prospectus until the Bid / Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 494.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

			
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Telephone: + 91 22 6630 3030 E-mail: milestonegears ipo@jmfml.com Investor Grievance E-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact person: Prachee Dhuri SEBI Registration No.: INM000010361	Axis Capital Limited 1st Floor, Axis House P.B. Marg Worli Mumbai – 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: Milestonegears.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact Person: Ankit Bhatia/Krish Jain SEBI Registration Number: INM000012029	Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel ST Depot, Prabhadevi Mumbai 400 025, Maharashtra, India Telephone: +91 22 7193 4380 Email: mgl.ipo@motilaloswal.com Website: www.motilaloswalgroup.com Investor grievance email: moiaipredressal@motilaloswal.com Contact person: Sukant Goel/Vaibhav Shah SEBI Registration No: INM000011005	KFin Technologies Limited Selenium, Tower-B Plot No. - 31 and 32, Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222 / 1800 3094001 Email: milestone.ipo@kfintech.com Investor grievance email: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M Murali Krishna SEBI Registration No: INR0000002221

BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE*	[●]*	BID / OFFER OPENS ON	[●]	BID / OFFER CLOSES ON*	[●]**

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

** 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.

The UPI mandate end time and date shall be at 5:00 p.m. on the Bid / Offer Closing Date.

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TABLE OF CONTENTS

SECTION I – GENERAL	6
DEFINITIONS AND ABBREVIATIONS.....	6
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION	20
FORWARD-LOOKING STATEMENTS.....	24
SECTION II - SUMMARY OF THE OFFER DOCUMENT	26
SECTION III – RISK FACTORS	36
SECTION IV – INTRODUCTION	85
THE OFFER.....	85
SUMMARY FINANCIAL INFORMATION	87
GENERAL INFORMATION	91
CAPITAL STRUCTURE.....	100
OBJECTS OF THE OFFER	116
BASIS FOR THE OFFER PRICE.....	137
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS.....	153
SECTION V – ABOUT OUR COMPANY	159
INDUSTRY OVERVIEW	159
OUR BUSINESS.....	233
KEY REGULATIONS AND POLICIES IN INDIA	269
HISTORY AND CERTAIN CORPORATE MATTERS	278
OUR MANAGEMENT.....	285
OUR PROMOTERS AND PROMOTER GROUP	305
DIVIDEND POLICY	308
SECTION VI – FINANCIAL INFORMATION	309
RESTATED FINANCIAL INFORMATION	309
OTHER FINANCIAL INFORMATION	365
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	367
CAPITALISATION STATEMENT	400
FINANCIAL INDEBTEDNESS.....	401
SECTION VII – LEGAL AND OTHER INFORMATION	404
OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS	404
GOVERNMENT AND OTHER APPROVALS	411
SECTION VIII - GROUP COMPANIES	414
SECTION IX - OTHER REGULATORY AND STATUTORY DISCLOSURES.....	416
SECTION X - OFFER INFORMATION	432
TERMS OF THE OFFER.....	432
OFFER STRUCTURE	439
OFFER PROCEDURE.....	443
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	464
SECTION XI –ARTICLES OF ASSOCIATION	465
SECTION XII - OTHER INFORMATION	494
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	494
DECLARATION.....	497

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, circular, notification, direction, clarification or policy shall be to such legislation, act, regulation, rule guidelines, circular, notification, direction, clarification or policy as amended, updated, supplemented, re-enacted or modified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, Offer-related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined hereinafter). In case of any inconsistency between the definitions used in this Draft Red Herring Prospectus and the definitions included in the General Information Document, the definitions used in this Draft Red Herring Prospectus shall prevail.

Notwithstanding the foregoing, terms in “Basis for the Offer Price”, “Objects of the Offer”, “Financial Indebtedness”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “History and Certain Corporate Matters”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure”, “Other Regulatory and Statutory Disclosures” and “Articles of Association” on pages 137, 116, 401, 153, 159, 269, 278, 309, 404, 443, 416 and 465, respectively will have the meaning ascribed to such terms in those respective sections.

Conventional and general terms

Term	Description
our Company / the Company / the Issuer	Milestone Gears Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India
we / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company-related terms

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of the Board of Directors, constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, described in “Our Management – Corporate Governance” on page 292
Auditors / Statutory Auditors	The statutory auditors of our Company, being J. R. Khanna & Co., Chartered Accountants
Board / Board of Directors	The board of directors of our Company, and where applicable or implied by context, any duly constituted committee thereof. For details, see “Our Management – Board of Directors” on page 285
Chairman-cum-Executive Director	The chairman-cum-Executive Director of the Board, namely Ashok Kumar Tandon. For details, see “Our Management – Board of Directors” on page 285
Chartered Engineer	The independent chartered engineer appointed by our Company in connection with the Offer, namely Deepankar Sharma
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, namely Pankaj Budhiraja. For details, see “Our Management – Key Managerial Personnel and Senior Management” on page 302
Corporate Office	The corporate office of our Company situated at KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Mohinder Singh. For details, see “Our Management – Key Managerial Personnel and Senior Management” on page 302
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in “Our Management – Corporate Governance” on page 292
Director(s)	The director(s) on the Board of our Company, as appointed from time to time. For details of our directors as on the date of this Draft Red Herring Prospectus, see “Our Management – Board of Directors” on page 285

Term	Description
Equity Share(s)	The equity shares of our Company of face value of ₹2 each
Executive Director(s)	The executive director(s) of our Company, as disclosed in “Our Management” on page 285
Group Company(ies)	The group company(ies) of our Company in terms of the SEBI ICDR Regulations. For further details, see “Group Companies” on page 414
Independent Chartered Accountant	The independent chartered accountant of our Company, being Bansal & Co LLP., Chartered Accountants
Independent Director(s)	The independent director(s) of our Company, as disclosed in “Our Management” on page 285
IPO Committee	IPO committee of the Board of Directors, comprising Aman Tandon, Biresh Kumar Thakur and Neha
KMP / Key Managerial Personnel	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” on page 302
Managing Director	The managing director of our Company, namely Aman Tandon, as described in “Our Management” on page 285
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated November 12, 2025, for identification of material (a) outstanding litigation proceedings of our Company, our Promoters, and our Directors; (b) group companies; and (c) creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus
MoA / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors, constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations described in “Our Management – Corporate Governance” on page 292
Other Selling Shareholder	Gagandeep Kaur Chawla
Promoter(s)	The promoters of our Company, namely Ashok Kumar Tandon and Aman Tandon
Promoter Selling Shareholder(s)	Our Promoters, Ashok Kumar Tandon and Aman Tandon, who are also offering Equity Shares for sale in the Offer
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “Our Promoters and Promoter Group” on page 305
Promoter Group Selling Shareholders(s)	Amit Tandon and Aradhna Tandon
Proposed Greenfield Project	Financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh
Registered Office	The registered office of our Company, situated at 58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India
Restated Financial Information	The restated financial information of our Company as at and for the period ended June 30, 2025 and the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, comprising the restated statement of assets and liabilities as at June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023, and the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the period ended June 30, 2025 and financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, together with the material accounting policies, and other explanatory notes relating to such financial periods, prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, each as amended
Risk Management Committee	The risk management committee of the Board of Directors, constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations described in “Our Management – Corporate Governance” on page 292
RoC / Registrar of Companies	The Registrar of Companies, Himachal Pradesh at Chandigarh
Selling Shareholder(s)	Collectively, the Promoter Selling Shareholders, Promoter Group Selling Shareholders and the Other Selling Shareholder
Senior Management	The senior management of our Company in terms of Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel and Senior Management” on page 302
Shareholder(s)	The shareholders of our Company from time to time
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of the Board of Directors constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, described in “Our Management – Corporate Governance” on page 292
Unit I	Our manufacturing facility situated at 58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India

Term	Description
Unit II	Our manufacturing facility situated at KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India
Unit III	Our manufacturing facility situated at Plot No. 8, Industrial Area Barotiwala, Distt. Solan, Himachal Pradesh, India
Unit IV	Our manufacturing facility situated at Mouja Barotiwala, Hadbast No. 196, Pargana Doon, Tehsil Baddi, District Solan, Himachal Pradesh, India
Unit V	Our manufacturing facility situated at Plot No. 20B, 22-24, Sector-1, Parwanoo
Unit VI	Our manufacturing facility situated at Village Rajgarh Hadbast No. 243, Tehsil Paeel, District Ludhiana, Punjab, India
Unit VII	Our manufacturing facility situated at Village Barotiwala, Pargana Doon, Tehsil Kasuali, District Solan, Himachal Pradesh, India
Unit VIII	Our manufacturing facility situated at Village Jharmajri P.O., Barotiwala, District Solan, Himachal Pradesh, India
Unit IX	Our manufacturing facility situated at K/K no. 312/314, Khasra No. 955/908/34 (2-17), Khasra No. 959/910/35 (3-03) and Khasra No. 965/910/37 (00-08), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India and K/K no. 312/314, Khasra No. 910/35/2/2/2/1 (1-11), Khasra No. 910/35/2/2/2/2 (1-12) and 965/912/37 (0-80), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India
1Lattice	Lattice Technologies Private Limited
1Lattice Report	Report titled “ <i>Gears and precision components industry report</i> ” dated November 2025 commissioned by our Company pursuant to the engagement letter dated July 7, 2025, in connection with the Offer and issued by 1Lattice

Offer-related terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders, as the case may be, pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, and prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations
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.

Term	Description
	Forty-percent of the Anchor Investor Portion shall be reserved for (i) 33.33 per cent for domestic Mutual Funds; and (ii) 6.67 per cent for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders, as specified in the ASBA Form submitted by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount, upon acceptance of the UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder for the blocking of the Bid Amount by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form(s)	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 the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Structure” on page 439
Bid(s)	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published all editions of [●], an English national daily newspaper and in all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh where our Registered Office is located), each with wide circulation. In case of any revisions, the extended Bid / Offer Closing Date shall also be notified on the website of the BRLMs and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank(s), and shall be widely disseminated by notification to the Stock Exchanges and shall also be notified in an advertisement in the same newspapers in which the Bid / Offer Opening Date was published, as required under the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Managers 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
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 [●], which shall be published in all editions of [●], an English national daily newspaper and in all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh where our Registered Office is located), each with wide circulation
Bid / Offer Period	Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.

Term	Description
	Our Company, in consultation with the BRLMs, may consider closing the Bid / Offer Period for the QIB Category one Working Day prior to the Bid / Offer Closing Date which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published in accordance with the SEBI ICDR Regulations
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer, namely JM Financial Limited, Axis Capital Limited, and Motilal Oswal Investment Advisors Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders, using the UPI Mechanism) 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 (www.bseindia.com and www.nseindia.com), and updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. 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 to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members and the Banker(s) to the Offer for, among other things, the appointment of the Escrow and Sponsor Bank(s), the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI RTA Master Circular, and as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs, including Anchor Investors, and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation, PAN, demat account and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be

Term	Description
	blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs.
	In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean the Syndicate, Sub-Syndicate Members / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.
	The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated November 18, 2025, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPIs	FPIs that are eligible to participate in the Offer from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue component of the Offer comprising an issuance by our Company of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] each aggregating up to ₹8,000.00 million. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The Offer proceeds from the Fresh Issue that will be available to our Company
JM Financial	JM Financial Limited
Life Insurance Company(ies)	An entity registered with the Insurance Regulatory and Development Authority of India under the provisions of Insurance Act, 1938
MO	Motilal Oswal Investment Advisors Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares of face value of ₹2 each, 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	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer related expenses, see “ <i>Objects of the Offer</i> ” on page 116
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidder(s) / NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares of face value of ₹2 each, which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-thirds of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] each, aggregating up to ₹11,000.00 million comprising the Fresh Issue and the Offer for Sale. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Offer Agreement	The agreement dated November 18, 2025, amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer

Term	Description
Offer for Sale	The offer for sale component of the Offer of up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹3,000.00 million by the Selling Shareholders, consisting of up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹1,750.00 million by Ashok Kumar Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹500.00 million by Aman Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Amit Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Aradhna Tandon and up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Gagandeep Kaur Chawla
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 116
Offered Shares	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹3,000.00 million being offered by the Selling Shareholders as part of the Offer for Sale, comprising up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹1,750.00 million by Ashok Kumar Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹500.00 million by Aman Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Amit Tandon, up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Aradhna Tandon and up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹250.00 million by Gagandeep Kaur Chawla
Pension Fund	Fund registered with Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Price Band	Price band ranging from a minimum price of ₹[●] per Equity Share (Floor Price) to the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and will be advertised in all editions of [●], an English national daily newspaper and in all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh where our Registered Office is located), each with wide circulation, 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 respective websites
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
Project Report	The detailed project report dated November 17, 2025, prepared by Deepankar Sharma, Chartered Engineer on the proposed capital expenditure for the setting up of a new manufacturing facility

Term	Description
Promoters' Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment
Prospectus	The prospectus to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined in accordance with the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Offer
QIB Bid / Offer Closing Date	In the event that our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one day prior to the Bid / Offer Closing Date, the date one day prior to the Bid / Offer Closing Date. Otherwise, it shall be the same as the Bid / Offer Closing Date
QIB Category / 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 ₹2 each which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI ICDR Master Circular and the UPI Circulars
Registrar Agreement	The agreement dated November 18, 2025, amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
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 the SEBI RTA Master Circular and the UPI Circulars
Registrar to the Offer / Registrar	KFin Technologies Limited
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the bidding options in the Offer (including HUFs applying through their <i>karta</i> and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of up to [●] Equity Shares of face value of ₹2 each, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid / Offer Closing Date

Term		Description
Self-Certified Bank(s) / SCSB(s)	Syndicate	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than through the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Share Escrow Agent		Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement		The agreement to be entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations		Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank(s)		The Banker(s) to the Offer registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●] and [●]
Stock Exchanges		Collectively, BSE and NSE
Sub-Syndicate Members		The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate		Together, the BRLMs and the Syndicate Members
Syndicate Agreement		The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members		Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter
Systemically Important Non-Banking Financial Company / NBFC-SI		Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters		[●]
Underwriting Agreement		The agreement to be entered into among the Underwriters, our Company and the Selling Shareholders prior to the filing of the Prospectus with the RoC. For further details, see “General Information – Underwriting Agreement” on page 98
UPI		Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidder(s)		Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion; and (ii) Non-Institutional Bidders with an application size of up to ₹0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to the SEBI ICDR Master Circular, 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 number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, the SEBI ICDR Master Circular, the SEBI RTA Master Circular (to the extent it pertains to the UPI Mechanism), and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular

Term	Description
	issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by the Stock Exchanges in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Mobile App and by way of a SMS directing the UPI Bidder to such UPI Mobile App) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	A person or company, who or which is categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; (b) Bid / Offer Period, the expression “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai, India, as per the circulars issued by SEBI

Conventional and general terms and abbreviations

Term	Description
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
AS/ Accounting Standards	Accounting Standards issued by the ICAI
AGM	Annual general meeting
AY	Assessment year
BSE	BSE Limited
Calendar Year or year	Unless the context otherwise requires, the 12 months period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
CHF / Fr. / Rp.	Swiss franc, the official currency of Switzerland and Liechtenstein
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules, regulations, clarifications and modifications made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Depositories	NSDL and CDSL, collectively
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s identity number
DPIIT	The Department for Promotion of Industry and Internal Trade (earlier known as Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948

Term	Description
ESIC	Employees' State Insurance Corporation
Euro / €	Euro, the official currency of the European Union
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA NDI Rules	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 Investors, as defined under SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
GAAR	General anti-avoidance rules
GBP / £	Pound, the official currency of the United Kingdom and its associated territories.
GDP	Gross Domestic Product
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IFSC	Indian Financial System Code
IGST	Integrated Goods and Services Tax
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the IAS Rules and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the IAS Rules and other relevant provisions of the Companies Act, 2013
Indian GAAP	Accounting standards notified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
JPY or ¥	Japanese Yen, the official currency of Japan
KYC	Know Your Customer
MCA	The Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds Based Lending Rate
Mn / mn	Million
MoU	Memorandum of Understanding
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR / Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs and FVCIs
NRE	Non-Resident External
NRI / Non-Resident Indian	Non-Resident Indian
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited

Term	Description
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
PAN	Permanent account number
PAT	Profit after Tax
RBI	The Reserve Bank of India
Resident Indian	A person resident in India, as defined under FEMA
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Master Circular	SEBI master circular with number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999
SEBI RTA Master Circular	SEBI master circular number SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SMS	Short message service
STT	Securities Transaction Tax
Trade Marks Act	Trade Marks Act, 1999
US\$ / USD / US Dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / US	United States of America and its territories and possessions, including any state of the United States
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Business, technical and industry-related terms

Term	Description
2W	Two-Wheeler
2WD	Two-wheel drive
3W	Three-Wheeler
4WD	Four-wheel drive
AI	Artificial Intelligence
CE	Construction Equipment
CMM	Coordinate Measuring Machines
DFC	Dedicated Freight Corridor

Term	Description
ESG	Environmental, Social, and Governance
EVs	Electric Vehicles
GCF	Gas Carburizing Furnaces
GW	Gigawatt
HP	Horsepower
ICE	Internal Combustion Engine
IoT	Internet of Things
ISO	International Organization for Standardization
MPT	Magnetic Particle Testing
MUV	Multi Utility Vehicle
NVH	Noise, Vibration, and Harshness
OEMs	Original Equipment Manufacturers
PPM	Part Per Million
SCADA	Supervisory Control and Data Acquisition
SUV	Sport Utility Vehicle
UT	Ultrasonic Testing
VFDs	Variable-Frequency Drives
ZEV	Zero Emission Vehicle

Key performance indicators (“KPIs”) (as identified in “Basis for the Offer Price” on page 137)

Term	Description
Revenue from Operations	Revenue from Operations for the year/ period as appearing in the Restated Financial Information.
Revenue from Operations (% Change)	Percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period multiplied by 100.
EBITDA	Restated profit for the year/ period plus total tax expense, finance cost, depreciation and amortization expense.
EBITDA Margin	EBITDA as a percentage of Revenue from Operations.
Profit after Tax (PAT)	Restated profit for the year/period as appearing in the Restated Financial Information.
PAT Margin	PAT as a percentage of Revenue from Operations.
Return on Capital Employed	Earnings before interest and taxes divided by capital employed. Earnings before interest and taxes is calculated as restated profit before tax for the period/year plus finance costs. Capital employed being computed as the sum of total equity and current and non-current borrowings, minus intangible assets, intangible assets under development and deferred tax assets.
Return on Net Worth	Restated profit for the year/ period divided by Net Worth at the end of the period/year.
Net Debt to Equity	Net debt divided by total equity. Net debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities minus cash and cash equivalents.
Fixed Asset Turnover	Revenue from Operations for the period / year divided by average net block of property, plant and equipment and capital work in progress.
Cash Conversion Cycle	Inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold (“COGS”) multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period / year. Trade payable days is calculated as trade payable divided by COGS multiplied by no. of days in the period / year.
Revenue breakdown by End Use	Revenue from each end use sector divided by total revenue from sale of products.
Revenue Breakdown (%) by Geography	Revenue from each geography divided by total revenue from sale of products.
Capital Expenditure (value)	Aggregate of additions to property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and adjustment for movement in capital advances for the period/year.
Capital Expenditure (%)	Capital Expenditure (value) divided by Revenue from Operations for the period/year.

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

Certain conventions

All references in this Draft 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 the “US”, the “U.S.”, the “USA”, or the “United States” are to the United States of America and its territories and possessions.

Page Numbers

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

Financial data

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus is derived from the Restated Financial Information.

The Restated Financial Information comprises the restated financial information of our Company as at and for the period ended June 30, 2025 and as at and for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, comprising the restated statement of assets and liabilities as at June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023, and the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the period ended June 30, 2025 and the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, together with the material accounting policies, and other explanatory notes relating to such financial periods, prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, each as amended.

For further information on our Company’s financial information, see “*Restated Financial Information*” on page 309.

Our Company’s financial year commences on April 1 and ends on March 31 of the next Calendar Year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular Calendar Year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*” on page 80.

Unless the context otherwise indicates, any percentage amounts (excluding certain operational metrics), with respect to the financial information of our Company in this Draft Red Herring Prospectus have been derived from the Restated Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures including in diagrams and charts, including those relating to financial information, operational metrics and key performance indicators, in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Non-GAAP financial measures

In addition to our results determined in accordance with Ind AS, we use a variety of financial and operational performance indicators like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio (“**Non-GAAP Financial Measures**”), presented in this Draft Red Herring Prospectus which are a supplemental measure of our performance and liquidity are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period 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, or IFRS. In addition, these Non-GAAP Financial Measures, and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP Financial Measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Financial Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company’s management believes that they are useful information in relation to our business and financial performance.

For the risks relating to Non-GAAP Financial Measures, see “*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio*” on page 73.

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been derived from a report titled “Gears and precision components industry report” dated November 2025 (the “**1Lattice Report**”) that has been commissioned and paid for by our Company and prepared by 1Lattice exclusively for the purpose of understanding the industry our Company operates in, exclusively in connection with the Offer by way of engagement letter dated July 7, 2025, and has been obtained from publicly available information, as well as various government publications and industry sources. The 1Lattice Report is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>, until the Bid / Offer Closing Date. 1Lattice has confirmed vide its letter dated November 14, 2025, that it is an independent firm, and is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the Book Running Lead Managers.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The data used in these sources may also have been reclassified by us for the purposes of presentation and may also not be comparable. Further, industry sources and publications are also prepared based on information as of a specific date and may no longer be current or reflect current trends. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent*

risks” on page 72.

In accordance with the SEBI ICDR Regulations, the section “Basis for the Offer Price” on page 137 includes information relating to our peer group companies, which has been derived from publicly available sources. No investment decision should be made solely on the basis of such information.

Disclaimer of 1Lattice

This Draft Red Herring Prospectus contains data and statistics from the 1Lattice Report, which is subject to the following disclaimer:

The report has been prepared as a general summary of matters on the basis of our interpretation of the publicly available information, our experiences and the information provided to us, and should not be treated as a substitute for a specific business advice concerning individual matters, situations or concerns. Procedures we have performed do not constitute an audit of the Company’s historical financial statements nor do they constitute an examination of prospective financial statements. We have also not performed any procedures to ensure or evaluate the reliability or completeness of the information obtained from the Company. Accordingly, we express no opinion, warranty, representation or any other form of assurance on the historical or prospective financial statements, management representations, or other data of the Company included in or underlying the accompanying information. We have not carried out any financial, tax, environmental or accounting due diligence with respect to the Company.

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.
- ‘**U.S.\$**’, ‘**U.S. Dollar**’, ‘**USD**’ or ‘**U.S. Dollars**’ are to United States Dollars, the official currency of the United States of America.
- ‘**Euro**’ or ‘**€**’ are to Euro, the official currency of the European Union.
- ‘**GBP**’ or ‘**£**’ are to Pound, the official currency of the United Kingdom and its associated territories.
- ‘**CHF**’ or ‘**Fr.**’ or ‘**Rp.**’ are to Swiss franc, the official currency of Switzerland and Liechtenstein.
- ‘**JPY**’ or ‘**¥**’ are to Japanese Yen, the official currency of Japan.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in million. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources in the other sections of this Draft Red Herring Prospectus may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such number of decimal points as provided in such respective sources. 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 figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a Calendar Year.

Exchange rates

This Draft Red Herring Prospectus may contain conversions of certain 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.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts

into Rupee amounts, are as follows:

(amount in ₹, unless otherwise specified)

Currency	Exchange rate as on*			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
1 USD [^]	85.54	85.58	83.37	82.22
1 EUR [^]	100.45	92.32	90.22	89.61
1 GBP [^]	117.47	110.74	105.29	101.87
1 CHF [#]	106.87	97.14	92.09	89.70
1 JPY [#]	0.59	0.57	0.55	0.62

[^]Source: Reference rate as available on www.rbi.org.in

[#] Source: Reference rate as available on www.oanda.com

*The exchange rates are rounded off to two decimal places and in case of a Sunday or a public holiday, the previous Working Day not being a public holiday has been considered.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “shall”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “project”, “propose”, “seek to”, “will”, “will achieve”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. These forward-looking statements are based on our management’s belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information. As a result, actual results could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Actual results may differ materially from those suggested by such 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. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to, and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The loss of revenue from our top 10 customers constituting 92.96%, 94.43%, 96.42% and 98.35% of our revenue from sale of products in the three months ended June 30, 2025, and Fiscals 2025, 2024 and 2023, respectively.
- Any slowdown in demand for certain product categories, namely bull gears, transmission gears and transmission shafts, rear axles and internal ring gears that accounted for 91.78%, 90.74%, 91.08% and 87.50% of our revenue from sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023, respectively.
- Any interruption in the availability of raw materials or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base.
- Volatility and unavailability caused by various external conditions or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials. Our cost of raw materials and components consumed accounted for 48.06%, 48.15%, 46.20%, and 53.59% of our total expenses in three months ended June 30, 2025, Fiscal 2025, 2024 and 2023.
- Performance of certain sectors particularly tractors, which accounted for majority of our sales percentage of 83.30%, 82.70%, 79.24% and 80.35% of our sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023.
- Inability to handle risks associated with our export sales, including the imposition of tariffs or other anti-outsourcing legislation. In the three months ended June 30, 2025 and in Fiscals 2025, 2024, and 2023, our revenue from sale of products from outside India accounted for 10.94%, 9.43%, 12.25%, 15.06% of our revenue from sale of products, respectively.
- Any failure in meeting the obligations for availing benefits under certain export promotion schemes.
- Our manufacturing facilities (including our Registered Office) are concentrated in Northern India and largely operate on leasehold land, exposing us to location-specific risks and uncertainties relating to

renewal or loss of leasehold rights.

- We do not have agreements having commitment on part of our customers to purchase or place orders with us.
- Inability to increase our revenue from operations, gross margins or effectively execute our growth strategies in the future.

For a further discussion of factors that could cause our actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 233 and 367, respectively.

Neither our Company, Promoters, Directors, Key Managerial Personnel, members of Senior Management nor the Selling Shareholders, nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of the Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI, each of the Selling Shareholders, severally and not jointly, will in relation to the statements specifically made or confirmed by them in relation to themselves and their respective portion of Offered Shares in this Draft Red Herring Prospectus, ensure that investors in India are informed of material developments until the date of Allotment.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft 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 Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure” and “Articles of Association” on pages 36, 85, 100, 116, 159, 233, 305, 309, 367, 404, 443 and 465 respectively of this Draft Red Herring Prospectus.

Summary of Primary Business

We are a manufacturer of high-precision, complex engineered transmission components that have applications across multiple sectors, including tractors, construction equipment, electric vehicles, locomotives, windmills and other heavy industries. We supply our products to Indian and global original equipment manufacturers (“OEM”) customers, including their affiliated entities. Between April 1, 2022 and June 30, 2025, we have supplied to more than 50 customers, including all the top nine OEMs in the tractor sector in India (Source: *1Lattice Report*). We leverage our end-to-end manufacturing capabilities, backed by a technology-driven approach and fungible production setup, to manufacture a broad spectrum of transmission component families.

Summary of Industry in which our Company operates

The key sectors in which we operate – tractors, construction equipment, electric vehicles, locomotives, and windmills – have shown significant growth over the years. (Source: *1Lattice Report*)

Particulars	Fiscal 2025	Fiscal 2030	CAGR (Fiscal 2025 to Fiscal 2030)
Tractors (in ₹ billion)	1,250.8	2,060.8	10.5%
Construction equipment (in ₹ billion)	898.9	1,732.5	14.0%
EV sales in India (in terms of number of EV vehicles in million)	0.19	1.7	56.0%
Indian railway component market (in ₹ billion)	1,055.1	1,276.1	3.9%
Indian windmill component market (in ₹ billion)	397.5	512.1	5.2%

(Source: *1Lattice Report*)

Our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters are Ashok Kumar Tandon and Aman Tandon. For further details, see “Our Promoters and Promoter Group” on page 305.

The Offer

The following table summarizes the details of the Offer.

Offer^{(1)(2)^}	Up to [●] Equity Shares of face value of ₹2 each for cash at price of ₹[●] per Equity Share, aggregating up to ₹11,000.00 million
of which	
(i) Fresh Issue^{(1)^}	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹8,000.00 million
(ii) Offer for Sale⁽²⁾	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹3,000.00 million being offered by the Selling Shareholders

⁽¹⁾ The Offer has been authorized by a resolution of our Board dated November 18, 2025 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated November 18, 2025.

⁽²⁾ Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented for the sale of their respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures – Authorisation by the Selling Shareholders” on page 416.

[^] Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

For further details, see “The Offer” and “Offer Structure” on pages 85 and 439, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(₹ in million)	
Objects	Amount proposed to be funded from the Net Proceeds ⁽¹⁾⁽²⁾
Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company	3,568.59
Proposed Greenfield Project ⁽³⁾⁽⁴⁾	2,964.21
General corporate purposes ⁽²⁾	[●]
Total Net Proceeds⁽¹⁾⁽²⁾	[●]

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

⁽²⁾ The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds and will be finalised upon determination of the Offer Price and shall be updated in the Prospectus prior to filing with the RoC.

⁽³⁾ The total amount proposed to be funded from the Net Proceeds towards the funding the Proposed Greenfield Project excludes an amount of ₹82.65 million (including stamp duty and registration fees at the time of executing the sale deed), that has already been incurred by our Company towards acquisition of land on which the Proposed Greenfield Project will be set up and pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has already been incurred by our Company.

⁽⁴⁾ The amount proposed to be funded from the Net Proceeds, for Proposed Greenfield Project, are based on the Project Report.

For further details, see “Objects of the Offer” on page 116.

Aggregate pre-Offer Shareholding of our Promoters, the members of our Promoter Group and the Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer and post-Offer Equity shareholding of our Promoters, the members of our Promoter Group (other than our Promoters), and the Selling Shareholders, as a percentage of the pre-Offer paid-up Equity Share capital of our Company, as on the date of the Draft Red Herring Prospectus, is set out below:

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹2 each held	Percentage of pre-Offer paid-up Equity Share capital (%)	No. of Equity Shares of face value of ₹2 each held post-Offer*	Percentage of post-Offer paid-up Equity Share capital* (%)
(A) Promoters[#]					
1.	Ashok Kumar Tandon	52,497,000	58.33	[●]	[●]
2.	Aman Tandon	14,993,400	16.66	[●]	[●]
Sub-Total (A)		67,490,400	74.99	[●]	[●]
(B) Promoter Group (other than our Promoters)					
1.	Aradhna Tandon [^]	7,507,500	8.34	[●]	[●]
2.	Amit Tandon [^]	7,493,100	8.33	[●]	[●]

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹2 each held	Percentage of pre-Offer paid-up Equity Share capital (%)	No. of Equity Shares of face value of ₹2 each held post-Offer*	Percentage of post-Offer paid-up Equity Share capital* (%)
3.	Rajni Tandon	3,000	Negligible	[●]	[●]
4.	Anirudh Tandon	3,000	Negligible	[●]	[●]
Sub-Total (B)		15,006,600	16.67	[●]	[●]
(C) Selling Shareholders (excluding the Promoter Selling Shareholders and Promoter Group Selling Shareholders)					
(i)	Gagandeep Kaur Chawla	7,503,000	8.34		
Total (A+B+C)		90,000,000	100.00	[●]	[●]

* Subject to completion of the Offer and finalization of the Allotment.

Also the Promoter Selling Shareholders.

^ Also the Promoter Group Selling Shareholders.

For further details, please see “Capital Structure” on page 100.

Pre-Offer and post-Offer shareholding as at the date of this Draft Red Herring Prospectus and Allotment of our Promoters, Promoter Group and additional top 10 Shareholders

Set out below is the pre-Offer and post-Offer shareholding as at the date of this Draft Red Herring Prospectus and as at Allotment of our Promoters, members of the Promoter Group and the additional top 10 Shareholders of our Company:

S. No.	Name of Shareholder	Pre-Offer shareholding as the date of this Draft Red Herring Prospectus		Post-Offer shareholding as at Allotment*			
				At the lower end of the Price Band (₹ ●)		At the upper end of the Price Band (₹ ●)	
		Number of Equity Shares of face value of ₹2 each held	% of total pre-Offer paid up Equity Share capital	Number of Equity Shares of face value of ₹2 each held	% of the total post-Offer paid-up Equity Share capital	Number of Equity Shares of face value of ₹2 each held	% of the total post-Offer paid-up Equity Share capital
(A) Promoters							
1.	Ashok Kumar Tandon	52,497,000	58.33	●	●	●	●
2.	Aman Tandon	14,993,400	16.66	●	●	●	●
(B) Promoter Group (other than our Promoters)							
3.	Aradhna Tandon	7,507,500	8.34	●	●	●	●
4.	Amit Tandon	7,493,100	8.33	●	●	●	●
5.	Rajni Tandon	3,000	Negligible	●	●	●	●
6.	Anirudh Tandon	3,000	Negligible	●	●	●	●
(C) Additional top 10 Shareholders							
7.	Gagandeep Kaur Chawla	7,503,000	8.34	●	●	●	●

* To be updated at the pre-issue and price band ad stage and in the Prospectus and assuming full subscription in the Offer. The post-Offer shareholding details as at Allotment will be based on the actual subscription and the Offer Price and updated in the Prospectus and will be subject to the finalisation of the Basis of Allotment. Further, assuming that there is no transfer of shares by the Shareholders between the date of the Price Band advertisement and Allotment, and if any such transfers occur prior to the date of the Prospectus, it will be updated in the shareholding pattern in the Prospectus.

For further details, please see “Capital Structure” on page 100.

Summary of select financial information derived from the Restated Financial Information

The following information has been derived from our Restated Financial Information as at June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023:

Particulars	As at and for the financial year / period ended			
	June 30, 2025*	March 31, 2025	March 31, 2024	March 31, 2023
Equity share capital	30,000,000	30,000,000	30,000,000	30,000,000
Net worth	1,355.68	1,262.64	1,040.98	967.44
Revenue from operations*	1,680.34	5,301.69	5,333.24	6,129.38
Restated Profit for the period/year*	93.61	220.64	67.20	140.65
Earnings per equity share (basic) (in ₹)^	1.04	2.45	0.75	1.56
Earnings per equity share (diluted) (in ₹)^	1.04	2.45	0.75	1.56
Net asset value per Equity Share (in ₹) (basic)^	15.06	14.03	11.57	10.75

(in ₹ million, except share data)

Particulars	As at and for the financial year / period ended			
	June 30, 2025*	March 31, 2025	March 31, 2024	March 31, 2023
Net asset value per Equity Share (in ₹) (diluted) [^]	15.06	14.03	11.57	10.75
Total borrowings	3,825.81	3,727.57	3,152.45	3,168.43

*Not annualized for the period ended June 30, 2025.

[^] Our company has sub-divided each of its equity shares bearing face value of ₹10 each into 5 Equity Shares bearing face value of ₹2 each pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. A bonus issuance had been carried out of 5 new shares per every 1 fully paid-up share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. The number of shares used for the calculation of Net Asset Value, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of ICDR regulations, as applicable. The number of shares used for the calculation of EPS, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of Ind AS 33, as applicable.

Notes:

(i) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation for the financial period/years ended June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

(ii) Basic Earnings per Equity Share (₹) = Restated profit for the period / year attributable to equity Shareholders of the Company divided by weighted average no. of Equity Shares outstanding during the period / year. Diluted earnings per share is calculated by dividing Restated profit for the period/year attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period/year adjusted for the effect of dilutive potential equity shares. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.

(iii) Net Asset Value per Equity Share = Net Worth as per the Restated Financial Information divided by Number of equity shares outstanding as at the end of year/period after giving effect to the sub-division and the bonus issuance.

(iv) Total borrowings means total of non-current borrowings and current borrowings.

For further details, see “Restated Financial Information” and “Other Financial Information” on pages 309 and 365, respectively.

Auditor qualifications which have not been given effect to in the Restated Financial Information

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

Summary of outstanding litigation

A summary of outstanding legal proceedings involving our Company, Directors and Promoters, as on the date of this Draft Red Herring Prospectus, as disclosed in “Outstanding Litigation and Other Material Developments” in terms of the SEBI ICDR Regulations is provided below:

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	2	Nil	N.A.	N.A.	1	7.93
Against our Company	Nil	2 [#]	Nil	N.A.	2	58.14
Directors[^]						
By the Directors	Nil	Nil	N.A.	N.A.	Nil	Nil
Against the Directors	Nil	2	Nil	N.A.	Nil	14.03
Promoters[^]						
By the Promoters	Nil	Nil	N.A.	N.A.	Nil	Nil
Against the Promoters	Nil	2	Nil	Nil	Nil	14.03

* To the extent quantifiable.

Includes appeals filed by our Company with the competent authorities.

^ Includes details of proceedings involving the Promoters who are also Directors.

Further, a summary of the relevant outstanding legal proceedings involving our Key Managerial Personnel and Senior Management, as on the date of this Draft Red Herring Prospectus, as disclosed in “*Outstanding Litigation and Other Material Developments*” in terms of the SEBI ICDR Regulations is provided below:

Category of individuals / entities	Criminal Proceedings	Statutory or Regulatory Proceedings	Aggregate amount involved* (₹ in million)
Key Managerial Personnel[^]			
By the Key Managerial Personnel	Nil	Nil	Nil
Against the Key Managerial Personnel	Nil	Nil	Nil
Senior Management[#]			
By the Senior Management	Nil	Nil	Nil
Against the Senior Management	Nil	Nil	Nil

* To the extent quantifiable.

[^] Includes details of proceedings involving the Executive Directors who are also Key Managerial Personnel.

[#] Includes details of proceedings involving Key Managerial Personnel who are also members of the Senior Management.

Further, as on the date of this Draft Red Herring Prospectus, there are no outstanding legal proceedings involving any of our Group Companies which will have a material impact on our Company.

For further details, see “*Outstanding Litigation and Other Material Developments*” on page 404.

Risk factors

Investors are advised to carefully read “*Risk Factors*” on page 36, to have an informed view before making an investment decision in the Offer. Set forth below are the top 10 risk factors applicable to our Company in their order of materiality:

Sr. No.	Description of the Risk
1.	Our business is dependent on certain key customers, and our top 10 customers contributed 92.96%, 94.43%, 96.42% and 98.35% of our revenue from sale of products in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, respectively. The loss of revenue from our top 10 customers could have an adverse impact on our business, results of operations, financial condition and cash flows.
2.	We generate a significant portion of our revenue from sale of certain product categories, namely bull gears, transmission gears and transmission shafts, rear axles and internal ring gears that accounted for 91.78%, 90.74%, 91.08% and 87.50% of our revenue from sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023, respectively. If we experience a slowdown in demand for these products, our business, results of operations, financial condition, and cash flows may be adversely affected.
3.	We do not have any long-term binding contracts with our suppliers for the procurement of raw materials. We typically place orders with them in advance of our anticipated requirements. In the three months ended June 30, 2025 and Fiscal 2025, 2024, and 2023, the cost of raw materials purchased from our top three suppliers accounted for 80.00%, 83.51%, 73.69%, and 76.58% of our total purchases, respectively. Any interruption in the availability of raw materials or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations.
4.	Our business and profitability is substantially dependent on the availability and cost of our raw materials, i.e., alloy steel from our suppliers. Our cost of raw materials and components consumed accounted for 48.06%, 48.15%, 46.20%, and 53.59% of our total expenses in three months ended June 30, 2025, Fiscal 2025, 2024 and 2023 and volatility and unavailability caused by various external conditions or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows
5.	Our business is dependent on the performance of certain sectors particularly tractors, which accounted for 83.30%, 82.70%, 79.24% and 80.35% of our sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023. Seasonal or economic cyclicity coupled with reduced demand in the tractor sector may have a material adverse effect on our business, results of operations and financial condition.
6.	We derive a portion of our revenue from operations from export sales. In the three months ended June 30, 2025 and in Fiscals 2025, 2024, and 2023, our revenue from sale of products from outside India accounted for 10.94%, 9.43%, 12.25%, and 15.06% of our revenue from sale of products, respectively. Our inability to handle risks associated with our export sales, including the imposition of tariffs or other anti-outsourcing legislation, could adversely affect our sales to customers in foreign countries, our results of operations, financial condition and cash flows.

7.	We currently avail benefits under certain export promotion schemes. In order to continuously avail the benefits, we are required to export goods of a defined amount. Any failure in meeting the obligations, may adversely affect our business operations and our financial condition.
8.	Our manufacturing facilities (including our Registered Office) are concentrated in Northern India and largely operate on leasehold land, exposing us to location-specific risks and uncertainties relating to renewal or loss of leasehold rights.
9.	We do not have agreements having commitment on part of our customers to purchase or place orders with us. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.
10.	While we have experienced an increase in our profit from ₹ 140.65 million in Fiscal 2023 to ₹ 220.64 million in Fiscal 2025, our revenue from operations has declined from ₹ 6,129.38 million in Fiscal 2023 to ₹ 5,301.69 million in Fiscal 2025. We may not be able to increase our revenue from operations, gross margins or effectively execute our growth strategies in the future, which could have an adverse effect on our business, results of operations and financial condition.

Summary of contingent liabilities

The summary of the contingent liabilities of our Company derived from our Restated Financial Information (as per Ind AS 37), as of June 30, 2025, is set forth below:

(in ₹ million)		
S. No.	Particulars	As at June 30, 2025
1.	Income tax litigation - not been acknowledged as claims	63.50
2.	Goods and Service Tax litigation - not been acknowledged as claims	3.68
Total		67.18

For further information on such contingent liabilities as of June 30, 2025, as per Ind AS 37, see “Restated Financial Information – Note 32 – Contingent Liabilities and Commitments” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Commitments” on pages 341 and 395.

Summary of related party transactions

A summary of the related party transactions entered into by our Company in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023 as per Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, derived from the Restated Financial Information is detailed below:

(₹ in million)						
Nature of transaction	Name of the related party	Nature of relationship	For the period ended June 30, 2025	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Managerial Remuneration	Ashok Kumar Tandon	Chairman-cum-Executive Director	2.04	8.16	16.26	14.46
Managerial Remuneration	Aman Tandon	Managing Director	2.04	8.16	15.06	13.56
Managerial Remuneration	Biresh Kumar Thakur	Executive Director and Chief Executive Officer	2.03	8.50	8.28	7.51
Managerial Remuneration	Kapil Bhalla	Company Secretary	0.29	0.77	-	-
Managerial Remuneration	Amit Tandon	Son of Chairman-cum-Executive Director	-	7.56	15.06	13.55
Managerial Remuneration	Anirudh Tandon	Son of Managing Director	0.37	0.25	-	-
Loan taken	Aman Tandon	Managing Director	-	63.81	-	-
Other income	Polycycl Private Limited	Entity in which directors or persons having substantial interest	0.32	1.26	1.26	9.94

Nature of transaction	Name of the related party	Nature of relationship	For the period ended June 30, 2025	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
		or having significant influence				
Sale of assets	Polycycl Private Limited	Entity in which directors or persons having substantial interest or having significant influence	-	-	-	0.71
Purchases	Polycycl Private Limited	Entity in which directors or persons having substantial interest or having significant influence	-	0.12	1.05	-
Purchases	Chhoti si Asha	Entity in which directors or persons having substantial interest or having significant influence	-	-	-	0.05
Purchases	Chhoti si Asha Foundation	Entity in which directors or persons having substantial interest or having significant influence	-	0.10	-	-

For further details of our related party transactions, see “*Restated Financial Information – Note 34 – Related Party Disclosures*” on page 341.

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives (as defined in 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 the last three years immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which specified securities were acquired by the Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, no specified securities have been acquired by the Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus:

S. No.	Name	Number of Equity Shares of face value of ₹2 each acquired in the last one year	Weighted average price at which Equity Shares of face value of ₹2 each were acquired in the last one year [^]
(A) Promoters			
1.	Ashok Kumar Tandon	43,747,500	Nil*
2.	Aman Tandon	12,494,500	Nil*
(B) Selling Shareholders (other than as set out in (A))			
3.	Amit Tandon	6,244,250	Nil*

S. No.	Name	Number of Equity Shares of face value of ₹2 each acquired in the last one year	Weighted average price at which Equity Shares of face value of ₹2 each were acquired in the last one year [^]
4.	Aradhna Tandon	6,256,250	Nil*
5.	Gagandeep Kaur Chawla	6,252,500	Nil*

*The weighted average price of acquisition of equity shares is Nil as the equity shares were acquired pursuant to a bonus issue.

[^]As certified by Bansal & Co LLP., Chartered Accountants by way of their certificate dated November 18, 2025.

Weighted average cost of acquisition of all shares transacted in the one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition per equity share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition**	Range of acquisition price per equity share: lowest price – highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus	Nil	[•]	Lowest price: Nil [^] Highest price: Nil [^]
Last 18 months preceding the date of this Draft Red Herring Prospectus	Nil	[•]	Lowest price: Nil [#] Highest price: Nil [#]
Last three years preceding the date of this Draft Red Herring Prospectus	Nil	[•]	Lowest price: Nil [#] Highest price: Nil [#]

*As certified by Bansal & Co LLP., Chartered Accountants by way of their certificate dated November 18, 2025.

**To be updated in the Prospectus following the finalisation of the Price Band.

[^]Weighted average cost is Nil as equity shares acquired in the last one year were pursuant to bonus issuance and gift.

[#]Weighted average cost is Nil as equity shares acquired in the last three years (including the immediately preceding eighteen months were pursuant to transmission of shares, gift and bonus issue.

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

The details of the price at which specified securities have been acquired by our Promoters, members of the Promoter Group and Selling Shareholders in the three years preceding the date of this Draft Red Herring Prospectus are set out below:

S. No.	Name of the acquirer	Nature of transaction	Date of acquisition	No. of equity shares acquired in the last three years	Face value	Acquisition price per equity share (in ₹)^
(A) Promoters						
1.	Ashok Kumar Tandon*	Bonus issue	September 15, 2025	43,747,500	2	NA
2.	Aman Tandon*	Transmission from B.P. Tandon	March 13, 2024	100	10	NA
		Bonus issue	September 15, 2025	12,494,500	2	NA
(B) Promoter Group (other than our Promoters)						
3.	Amit Tandon*	Bonus issue	September 15, 2025	6,244,250	2	NA
4.	Aradhna Tandon*	Bonus issue	September 15, 2025	6,256,250	2	NA
5.	Anirudh Tandon	Transfer from Aman Tandon by way of gift	June 11, 2025	100	10	NA
		Bonus issue	September 15, 2025	2,500	2	NA
6.	Rajni Tandon	Bonus issue	September 15, 2025	2,500	2	NA
(C) Selling Shareholders (other than as set out in (A) and (B))						
7.	Gagandeep Kaur	Bonus issue	September	6,252,500	2	NA

S. No.	Name of the acquirer	Nature of transaction	Date of acquisition	No. of equity shares acquired in the last three years	Face value	Acquisition price per equity share (in ₹)^
	Chawla		15, 2025			

^ As certified by Bansal & Co LLP., Chartered Accountants by way of their certificate dated November 18, 2025.

*Also the Selling Shareholders.

Further, as on the date of the Draft Red Herring Prospectus, there are no Shareholders with the right to nominate directors or any other such rights.

Average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders

The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	Number of Equity Shares of face value of ₹2 each	Average cost of acquisition per Equity Share of face value of ₹2 each* (in ₹)
(A) Promoters			
1.	Ashok Kumar Tandon	52,497,000	0.01
2.	Aman Tandon	14,993,400	0.02
(B) Selling Shareholders (other than as set out in (A))			
3.	Aradhna Tandon	7,507,500	0.01
4.	Gagandeep Kaur Chawla	7,503,000	Negligible
5.	Amit Tandon	7,493,100	0.02

*As certified by Bansal & Co LLP., Chartered Accountants by way of their certificate dated November 18, 2025.

For further details of the cost of acquisition of Equity Shares by our Promoters and Selling Shareholders, see “Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company” on page 101 and “Capital Structure – Notes to the Capital Structure – Secondary transactions involving the Promoters, Promoter Group and the Selling Shareholders” on page 109.

Details of pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

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

Except as disclosed in “Capital Structure – Equity Shares issued for consideration other than cash or by way of a bonus issue”, on page 104, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken any splits or consolidations in the last one year:

Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on September 10, 2025, and September 13, 2025, respectively the authorised share capital of our Company was sub-divided from 22,000,000 equity shares of face value of ₹10 each to 110,000,000 Equity Shares of face value ₹2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 3,000,000 equity shares of face value of ₹10 per equity share to 15,000,000 Equity Shares of face value of ₹2 per Equity Share.

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

Our Company has not sought any exemptions from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the 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, the Equity Shares, or the industry in which we currently operate or propose to operate in. The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, financial condition and cash flows could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Information” on pages 233, 159, 367 and 309, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. 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 Draft 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 because of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see “Forward-Looking Statements” beginning on page 24.

Unless otherwise indicated or the context otherwise requires, the financial information included in this Draft Red Herring Prospectus for the three months ended June 30, 2025 and for Fiscals 2025, 2024 and 2023 are derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Financial Data” beginning on page 20. Our financial year commences on April 1 and ends on March 31, and references to a particular financial year are to the 12 months ended March 31 of that year.

Unless otherwise stated or the context otherwise requires, in this section, references to “the Company”, “our Company”, “we”, “us” or “our” are to Milestone Gears Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Gears and Precision Components Industry Report” dated November, 2025 (the “1Lattice Report”), prepared and issued by Lattice Technologies Private Limited who were appointed pursuant to an engagement letter dated July 7, 2025, and exclusively commissioned by and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the 1Lattice Report and may have been re-ordered by us for the purposes of presentation. The 1Lattice Report will form part of the material documents for inspection and a copy of the 1Lattice Report is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>. Unless otherwise indicated, or unless the context otherwise requires, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see “ – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 72. Also see, “Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 21.

Internal Risk Factors

- 1. Our business is dependent on certain key customers, and our top 10 customers contributed 92.96%, 94.43%, 96.42% and 98.35% of our revenue from sale of products in the three months ended June 30,**

2025 and Fiscals 2025, 2024 and 2023, respectively. The loss of revenue from our top 10 customers could have an adverse impact on our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenues from our top customers. The following tables set forth details of our revenues from our top three, five and ten customers, in the period/ years indicated:

Particulars	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products
Revenue from the top 10 customers*	1,463.30	92.96%	4,579.17	94.43%	4,740.47	96.42%	5,534.20	98.35%
Revenue from the top five customers*	1,087.53	69.09%	3,343.25	68.94%	3,293.91	66.99%	3,884.32	69.03%
Revenue from the top three customers*	730.72	46.42%	2,152.20	44.38%	2,148.16	43.69%	2,610.67	46.39%

*The top three, top five and top 10 customers have been identified based on their contribution to our revenue from sale of products in the respective period/Fiscal.

Set out below are details of our revenue from our top 10 customers for the period/years indicated:

Customer Name*	Three months ended June 30, 2025		Customer Name*	Fiscal 2025		Customer Name*	Fiscal 2024		Customer Name*	Fiscal 2023	
	Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products
Mahindra & Mahindra Limited	286.90	18.23%	Mahindra & Mahindra Limited	848.81	17.50%	Mahindra & Mahindra Limited	763.23	15.52%	Mahindra & Mahindra Limited	1,002.22	17.81%
Tractor & Farm Equipment Limited	226.08	14.36%	Tafe Motors & Tractors Limited	666.88	13.75%	Tafe Motors & Tractors Limited	694.31	14.12%	Tractor & Farm Equipment Limited	856.71	15.22%
Tafe Motors & Tractors Limited	217.74	13.83%	Tractor & Farm Equipment Limited	636.51	13.13%	Escorts Kubota Limited	690.61	14.05%	Tafe Motors & Tractors Limited	751.74	13.36%
Mahindra & Mahindra Limited – Swaraj Division	192.37	12.22%	Mahindra & Mahindra Limited – Swaraj Division	603.66	12.45%	Mahindra & Mahindra Limited – Swaraj Division	584.19	11.88%	Escorts Kubota Limited	703.63	12.50%
Escorts Kubota Limited	164.44	10.45%	Escorts Kubota Limited	587.39	12.11%	Tractor & Farm Equipment	561.56	11.42%	Mahindra & Mahindra	570.01	10.13%

Customer Name*	Three months ended June 30, 2025		Customer Name*	Fiscal 2025		Customer Name*	Fiscal 2024		Customer Name*	Fiscal 2023	
	Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products		Amount (₹ million)	% of revenue from sale of products
						Limited			Limited – Swaraj Division		
International Tractors Limited	121.03	7.69%	International Tractors Limited	364.08	7.51%	International Tractors Limited	381.31	7.76%	United Gear And Assembly, Inc.	524.78	9.33%
United Gear And Assembly, Inc.	86.84	5.52%	JCB India Limited	285.52	5.89%	JCB India Limited	353.15	7.18%	International Tractors Limited	411.22	7.31%
Cnh Industrial (India) Private Limited	61.24	3.89%	JCB UK Limited	208.67	4.30%	JCB UK Limited	281.99	5.74%	JCB UK Limited	306.47	5.45%
JCB India Limited	53.91	3.42%	United Gear And Assembly, Inc.	197.81	4.08%	United Gear And Assembly, Inc.	270.80	5.51%	JCB India Limited	245.74	4.37%
JCB UK Limited	52.75	3.35%	Cnh Industrial (India) Private Limited	179.84	3.71%	Cnh Industrial (India) Private Limited	159.32	3.24%	Cnh Industrial (India) Private Limited	161.68	2.87%
Total	1,463.30	92.96%	-	4,579.17	94.43%	-	4,740.47	96.42%	-	5,534.20	98.35%

*These customers represent the top 10 customers for each of the respective Fiscals and the three month period ended June 30, 2025 and may not necessarily refer to the same customers across the three Fiscals and period ended June 30, 2025.

We depend and expect the trend to continue for our key customers for a substantial portion of our revenue. Our revenue from operations decreased by 0.59% from ₹ 5,333.24 million in Fiscal 2024 to ₹ 5,301.69 million in Fiscal 2025 primarily on account of decrease in revenue from sale of products from ₹ 4,916.70 million in Fiscal 2024 to ₹ 4,849.30 million in Fiscal 2025. While our sales volume increased from 31,397 MT in Fiscal 2024 to 35,390 MT in Fiscal 2025, the benefit of higher volume of sales was offset by a decline in steel prices, which is our principal raw material. This deflation in input costs of our primary raw material led to a corresponding reduction in the average realisation per tonne, thereby impacting the overall sales volume of products. Additionally, the decrease in our revenue from the sale of products in Fiscal 2025 was partly attributable to subdued sales to one of our key customers during the first half of the year, with supplies resuming in the third quarter, as well as the discontinuation of a specific export part by another customer. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2025 Compared to Fiscal 2024” on page 389. We cannot assure you that we will be able to maintain historic levels of business from our key customers, or that we will be able to significantly reduce customer concentration in the future, all of which could have an impact on our business prospects and financial performance. Further, loss of all or a substantial portion of sales to our key customers, in particular for any reason (including, due to loss of contracts or failure to negotiate acceptable terms, loss of market share of these customers in their industries, disputes with these customers, adverse change in the financial condition of these customers, decline in their sales, plant shutdowns, labor strikes or other work stoppages affecting production of these customers), could have an adverse impact on our business, results of operations, financial condition and cash flows.

2. *We generate a significant portion of our revenue from sale of certain product categories, namely bull gears, transmission gears and transmission shafts, rear axles and internal ring gears that accounted for 91.78%, 90.74%, 91.08% and 87.50% of our revenue from sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023, respectively. If we experience a slowdown in demand for these products, our business, results of operations, financial condition, and cash flows may be adversely affected.*

We generate a significant portion of our revenue from operations from sale of certain product categories, namely bull gears, transmission gears and transmission shafts, rear axles and internal ring gears. The table below sets forth our revenue from sale of products by product families, expressed as a percentage of sale of products for the periods/ years indicated:

Product	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Bull Gears	455.48	28.94%	1,382.91	28.52%	1,426.27	29.01%	1,498.60	26.63%
Transmission gears and Transmission shafts	428.37	27.21%	1,279.96	26.40%	1,271.01	25.85%	1,286.35	22.86%
Rear Axles	384.31	24.41%	1,222.09	25.20%	1,198.20	24.37%	1,500.91	26.67%
Internal Ring Gears	176.59	11.22%	515.11	10.62%	582.81	11.85%	638.12	11.34%
Others	129.33	8.22%	449.23	9.26%	438.41	8.92%	703.31	12.50%
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

*Others include rock shafts and induction hardened shafts, spindles, cut bevel gears and ground gears and shafts.

The demand for our products depends on various factors, many of which are beyond our control. The factors impacting the demand of our products include changes in technology and requirements of our customers, cost of raw material including alloy steel, customer preferences, government policies, incentives and regulations concerning the transmission components industry, and market competition. While we have not experienced any material decline in our sale of certain of our product categories, i.e., bull gears, transmission gears and transmission shafts, rear axles and internal ring gears in the last three Fiscals and three months ended June 30, 2025, which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not adversely impact us in the future. Our business is impacted with cyclicity of demand in general based on industry performance during any period of time interval, there is no assurance that we will not face any such decline in sale in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

3. *We do not have any long-term binding contracts with our suppliers for the procurement of raw materials. We typically place orders with them in advance of our anticipated requirements. In the three months ended June 30, 2025 and Fiscal 2025, 2024, and 2023, the cost of raw materials purchased from our top three suppliers accounted for 80.00%, 83.51%, 73.69%, and 76.58% of our total purchases, respectively. Any interruption in the availability of raw materials or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations.*

As of June 30, 2025, we had a supplier base of nine suppliers spanning across six states in India. For further information on procurement of raw materials, see “Our Business – Our Business Operations – Raw Materials and Suppliers” on page 263 for further details. Although there may be multiple suppliers that provide certain raw materials and components that we need for our operations, our suppliers are approved by our customers and any failure by our suppliers to provide raw materials and components to us on time or at all, or as per our specifications and quality standards for reasons such as capacity limitations, breakdowns or machine failures, industrial relations and safety issues, or any disruption in our suppliers’ manufacturing processes 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. If we are unable to find a suitable replacement approved by our customer, in a timely manner, or at all, our business, financial condition, results of operations and cash flows could be materially and adversely affected. While there has been no instance where any of our suppliers did not perform its obligations in a timely manner during the three months ended June 30, 2025 and in 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.

The table below sets forth details of our total purchases from our top three, five and ten suppliers for the periods/years indicated:

Product	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of total purchases	Amount (₹ million)	% of total purchases	Amount (₹ million)	% of total purchases	Amount (₹ million)	% of total purchases
Purchases from top 10 supplier*	750.57	100.00%	2,575.47	100.00%	2,379.64	100.00%	3,068.86	100.00%
Purchases from top five suppliers*	716.82	95.50%	2,428.06	94.28%	2,230.53	93.73%	2,822.08	91.96%
Purchases from top three suppliers*	600.48	80.00%	2,150.86	83.51%	1,753.53	73.69%	2,350.10	76.58%

* The top three, top five and top 10 suppliers have been identified based on their share of our total raw-material and components purchases in the respective period/Fiscal.

Set out below are details of our total purchases from our top 10 suppliers for the period/years indicated:

Supplier Name	Three months ended June 30, 2025		Supplier Name	Fiscal 2025		Supplier Name	Fiscal 2024		Supplier Name	Fiscal 2023	
	Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases
Jayaswal Neco Industries Limited	376.42	50.15%	Jayaswal Neco Industries Limited	1,312.57	50.96%	Jayaswal Neco Industries Limited	1,069.24	44.93%	Jayaswal Neco Industries Limited	1,685.67	54.93%
Supplier 2**	122.47	16.32%	Supplier 2**	579.86	22.51%	Supplier 2**	347.13	14.59%	SLR Metaliks Limited	400.62	13.05%
Vardhman Special Steels Limited	101.59	13.54%	Vardhman Special Steels Limited	258.43	10.03%	Aarti Steel International Limited	337.16	14.17%	Aarti Steel International Limited	263.81	8.60%
Bhushan Power and Steel Limited	86.85	11.56%	Aarti Steel International Limited	194.47	7.55%	SLR Metaliks Limited	337.01	14.16%	Bhushan Power and Steel Limited	243.13	7.92%
Aarti Steel International Limited	29.49	3.93%	SLR Metaliks Limited	82.74	3.21%	Arora Iron and Steel Rolling Mills Private Limited	139.99	5.89%	Arora Iron and Steel Rolling Mills Private Limited	228.85	7.46%
Arjas Modern Steel Private	26.42	3.52%	Arjas Modern Steel Private	76.81	2.98%	Bhushan Power and Steel	78.81	3.31%	Supplier 6**	221.97	7.23%

Supplier Name	Three months ended June 30, 2025		Supplier Name	Fiscal 2025		Supplier Name	Fiscal 2024		Supplier Name	Fiscal 2023	
	Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases		Amount (₹ million)	% of total purchases
Limited			Limited			Limited					
Arora Iron and Steel Rolling Mills Private Limited	3.76	0.50%	Arora Iron and Steel Rolling Mills Private Limited	61.63	2.41%	Vardhman Special Steels Limited	42.87	1.80%	Vardhman Special Steels Limited	24.81	0.81%
SLR Metaliks Limited	3.57	0.48%	Kalyani Steels Limited	8.96	0.35%	Kalyani Steels Limited	19.36	0.81%	NA	NA	NA
NA	NA	NA	NA	NA	NA	Arjas Modern Steel Private Limited	8.07	0.34%	NA	NA	NA
Total	750.57	100.00 %	NA	2,575.47	100.00 %	NA	2,379.64	100.00 %	NA	3,068.86	100.00 %

*These suppliers represent the top suppliers for each of the respective Fiscals and the three month period ended June 30, 2025 and may not necessarily be the same suppliers across the three Fiscals and period ended June 30, 2025.

**The name of one of our suppliers has not been disclosed due to non-receipt of consent.

For information on our cost of materials consumed see “ - Our business and profitability is substantially dependent on the availability and cost of our raw materials, i.e., alloy steel from our suppliers. Our cost of raw materials and components consumed accounted for 48.06%, 48.15%, 46.20%, and 53.59% of our total expenses in three months ended June 30, 2025, Fiscal 2025, 2024 and 2023 and volatility and unavailability caused by various external conditions or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows” on page 42.

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, during the three months ended June 30, 2025 and in the past three Fiscals, we cannot assure that such instances will not arise in the future. Delays in replacing our limited source suppliers could also cause disruptions in our supply chain. 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. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

We typically rely on purchase orders rather than long-term binding contracts for the procurement of raw materials. While this approach is common in our industry, it may expose us to risks of supply disruption or price volatility. However, some of our customers allow us to source from multiple approved steel suppliers, and for certain grades of steel, we may have at least three to four approved sources.

The operations of our suppliers could be affected by external factors that are out of our control, such as adverse weather conditions, labor strikes, facility malfunctions and shortages of supplies, among others, which could have material adverse effect on our supplies and production. In addition, all our supplies are sourced from within India. We therefore depend on the Indian economic and political conditions, negative incidents involving India may materially impede our supply chain and operations.

4. ***Our business and profitability is substantially dependent on the availability and cost of our raw materials, i.e., alloy steel from our suppliers. Our cost of raw materials and components consumed accounted for 48.06%, 48.15%, 46.20%, and 53.59% of our total expenses in three months ended June 30, 2025, Fiscal 2025, 2024 and 2023 and volatility and unavailability caused by various external conditions or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows.***

Our primary raw material is alloy steel. The cost of our products is dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply. The price and availability of raw materials are subject to volatility and unavailability caused by various external conditions, including supply and demand dynamics, logistics and processing costs, our bargaining power with suppliers, inflation, governmental regulations and policies, overall economic conditions, production levels, market demand and competition for such materials, production, duties and taxes, and trade restrictions. The table below shows the cost of raw materials and components consumed as a percentage of our total expenses, revenue from operations and total income, for the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Cost of raw materials and components consumed (₹ million)	749.40	2,505.61	2,428.65	3,199.75
Cost of raw materials and components consumed as a % of total expenses	48.06%	48.15%	46.20%	53.59%
Cost of raw materials and components consumed as a % of revenue from operations	44.60%	47.26%	45.54%	52.20%
Cost of raw materials and components consumed as a % of total income	44.47%	45.82%	45.31%	51.97%

Note: Cost of raw materials and components consumed only includes cost of alloy steel consumed.

Alloy steel, which constitutes our primary raw material, is a traded commodity and, like other commodities, its price is subject to fluctuations driven by global and domestic market conditions, demand-supply imbalances, and macroeconomic factors. Any significant increase in the cost of alloy steel or disruption in its timely availability could adversely impact our production schedules, margins, and overall financial performance. While we seek to mitigate these risks through multiple approved suppliers and industry practices, such as price adjustment mechanisms with OEMs, we cannot assure that such measures will fully offset the impact of commodity price volatility or supply constraints. The differential in steel grade-wise pricing, is subsequently passed on to original equipment manufacturers (“OEMs”) by suppliers through retrospective price adjustments. While we have not experienced instances during the three months ended June 30, 2025 and the last three Fiscals, wherein an increase in alloy steel/ steel prices adversely affected our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future.

Further, we maintain inventories of raw material for 1.5 to two months and typically procure alloy steel based on tentative projections provided by our customers. Alloy steel is ordered from steel mills in alignment with these projections and within shorter lead times, subject to approvals from our customers and the suppliers meeting our quality and volume requirements. Since we do not hold control over the schedules of our suppliers, we are exposed to the risk of delays, or discontinuation, in the supply of raw material. Any such delay or discontinuation in the receipt of raw material or any shortfall could result in delays or insufficiency in production. While we have not experienced material disruption in the supply of our raw materials in the last three Fiscals which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such disruption will not occur in the future and if any such disruption occurs, such disruption may result in unexpected increases in prices of our raw materials and in turn, the prices of our products.

5. ***Our business is dependent on the performance of certain sectors particularly tractors, which accounted for 83.30%, 82.70%, 79.24% and 80.35% of our sale of products in the three months ended June 30, 2025 and in Fiscals 2025, 2024 and 2023. Seasonal or economic cyclicity coupled with reduced demand in the tractor sector may have a material adverse effect on our business, results of operations and financial condition.***

We primarily cater to domestic and global original equipment manufacturers (“OEMs”) operating in sectors, including tractors, construction equipment, EV, locomotive, windmills and other heavy industries. We are exposed to fluctuations in the performance of these sectors. The sales volumes and prices for the products sold by our OEM customers are also influenced by the cyclicity and seasonality of demand for products in the tractor sector, which in turn affect the demand for and sales volume of our precision forged and machined components for products in the tractor sector.

Further, in India, these industries may perform differently and be subject to market and regulatory developments that are dissimilar to such industries in other parts of the world. Our sales are directly dependent on the production level of these sectors domestically and globally, and are affected by inventory levels of manufacturers operating in these sectors. The tables below set out the revenues generated from various end-use sectors, expressed as a percentage of revenue from sale of products:

End-use Sector	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Tractors	1,311.16	83.30%	4,010.59	82.70%	3,896.22	79.24%	4,521.47	80.35%
Construction equipment	132.06	8.39%	549.04	11.32%	689.69	14.03%	570.76	10.14%
Electric vehicles	88.13	5.60%	198.09	4.08%	270.79	5.51%	524.78	9.33%
Locomotive	-	-	0.06	0.00%	-	-	-	-
Windmills and other heavy industries	42.73	2.71%	91.52	1.89%	60.00	1.22%	10.28	0.18%
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

Further, production and sales of the end products for which we supply products are affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, demographic trends, employment and income levels and interest rates, disruptions in these industries’ supply chain, vehicle age, labor relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions. While certain of our end-use sectors such as tractors are subject to seasonality, there have not been any instance in the three months ended June 30, 2025 and the last three Fiscals wherein the fluctuation in the performance of the aforesaid end-use sectors in which we operate, had a material adverse effect on our business, financial condition and profitability, we cannot assure you that such instances will not adversely impact us in the future. In addition, our revenue and sales from our tractor sector are relatively more exposed to agricultural seasonal variations and commodity price fluctuations. For further information, see “Risk Factors - Our revenues from the tractor end-use sector is subject to seasonality and a decrease in our sales during some quarters could have an adverse impact on our financial performance.” on page 64. If there is a decrease in the demand in the industries we currently supply to, or if there is uncertainty and other unexpected fluctuations or changes in regulations, customs, taxes or other barriers or restrictions adversely affecting the market, particularly agricultural and construction equipment sectors, our business, results of operations, financial condition and cash flows could be adversely affected.

6. *We derive a portion of our revenue from operations from export sales. In the three months ended June 30, 2025 and in Fiscals 2025, 2024, and 2023, our revenue from sale of products from outside India accounted for 10.94%, 9.43%, 12.25%, and 15.06% of our revenue from sale of products, respectively. Our inability to handle risks associated with our export sales, including the imposition of tariffs or other anti-outsourcing legislation, could adversely affect our sales to customers in foreign countries, our results of operations, financial condition and cash flows.*

We have served customers across ten countries, including the United States of America, the United Kingdom, Turkey, Germany, Belgium, Italy, Brazil, China, Hungary and Malaysia between April 1, 2022 and June 30, 2025. The following table sets forth information regarding our revenue from outside India, including in our top jurisdictions, as a percentage of our revenue from sale of products for the periods/years indicated:

Particulars	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% revenue from sale of products	Amount (₹ million)	% revenue from sale of products	Amount (₹ million)	% revenue from sale of products	Amount (₹ million)	% revenue from sale of products
Revenue from sale of products outside India	172.22	10.94%	457.19	9.43%	602.45	12.25%	847.27	15.06%
Export Sales to largest jurisdiction i.e., United States of America	92.60	5.88%	214.77	4.43%	286.39	5.82%	534.10	9.49%
Export Sales in the United Kingdom	52.75	3.35%	208.67	4.30%	282.05	5.74%	306.47	5.45%
Export Sales in Germany	24.72	1.57%	25.72	0.53%	27.37	0.56%	0.51	0.01%
Export Sales in Italy	1.36	0.09%	4.14	0.10%	4.21	0.09%	0.62	0.01%
Export Sales in Hungary	0.17	0.01%	0.73	0.02%	2.43	0.04%	4.29	0.08%
Export Sales to top five jurisdictions*	171.60	10.90%	454.03	9.38%	602.45	12.25%	845.99	15.04%
Export Sales to other jurisdictions	0.62	0.04%	3.16	0.05%	-	-	1.28	0.02%

*Top five jurisdictions for the three months ended June 30, 2025, Fiscal 2025, 2024 and 2024 were the United States of America, the United Kingdom, Germany, Italy and Hungary.

Further, the international markets in which we sell our products are diverse, with varying levels of economic and infrastructure development, distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. We may therefore be subject to risks inherent in doing business in markets outside India, including the following:

- Efforts to introduce or expand tariffs on import of manufactured goods and incentives for domestic companies to set up manufacturing facilities within the respective countries;
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, taxes, repatriation of revenues or profits from foreign jurisdictions into India, and changes in foreign trade and investment policies;
- Pricing pressures and competition in each jurisdiction to which we export products;
- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental,

health, safety, labor and accounting laws;

- Imposition of international sanctions on one or more of the jurisdictions to which we export products; and
- Fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our financial condition, such as export receivables and the cost of inventory.

Further, the U.S. government's trade policies, including the "Fair and Reciprocal Trade" plan, have resulted in the imposition of tariffs on a wide range of sectors such as steel, aluminium, and automotive components. If similar tariffs or trade barriers are applied to transmission gears or related components, our export competitiveness in the U.S. market could be adversely impacted. Increased tariffs may lead to higher costs for our customers or make our products less price-competitive compared to local or alternative suppliers, potentially resulting in reduced order volumes or loss of business. Any escalation in trade tensions or introduction of additional duties could materially and adversely affect our revenues, margins, and overall financial performance. We may have limited experience in marketing and managing exports of our products to new international markets, which may require considerable management attention and resources. Any failure to maintain our existing sales or expansion in international markets may have an adverse impact on our results of operations, financial condition and cash flows.

7. We currently avail benefits under certain export promotion schemes. In order to continuously avail the benefits, we are required to export goods of a defined amount. Any failure in meeting the obligations, may adversely affect our business operations and our financial condition.

We currently avail benefits under certain export promotion schemes, such as duty-free imports under the Export Promotion Capital Goods Scheme ("EPCG Scheme"). In Fiscal 2025, we have also availed benefit of ₹51.76 million (import duty waiver) under the EPCG Scheme. As per the licensing requirement under the said scheme, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of June 30, 2025, our pending obligations against EPCG Scheme was ₹ 772.01 million. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business and financial condition

8. Our manufacturing facilities (including our Registered Office) are concentrated in Northern India and largely operate on leasehold land, exposing us to location-specific risks and uncertainties relating to renewal or loss of leasehold rights.

As of June 30, 2025, we operate nine manufacturing facilities (including our Registered Office) spread across Punjab, Haryana and Himachal Pradesh. Due to the geographic concentration of our manufacturing facilities in Northern India, our operations are susceptible to local and regional factors in Northern India particularly in Himachal Pradesh, Haryana, Punjab and National Capital Territory of Delhi. The table below sets forth details of our manufacturing facilities:

Property	Address	Arrangement (Owned/ Leased)	Validity of lease deed	Lessors are a related party (Yes/ No)	Lessor
Unit I (also our Registered Office)	58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India	Leased	August 31, 1984 to August 30, 2079	No	Himachal Pradesh Housing Board
Unit II	KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India	Owned	-	NA	-
Unit III	Plot No. 8, Industrial Area Barotiwala, Distt. Solan, Himachal Pradesh, India	Leased	November 26, 1987 to November 26, 2068	No	Governor of Himachal Pradesh
Unit IV	Mouja Barotiwala, Hadbast No. 196, Pargana Doon, Tehsil Baddi, District Solan, Himachal Pradesh, India	Owned	-	NA	-
Unit V	Plot No. 20B, 22-24, Sector-1, Parwanoo	Leased	Till March 31, 2027	No	Shubh Timb-Steels Private

Property	Address	Arrangement (Owned/ Leased)	Validity of lease deed	Lessors are a related party (Yes/ No)	Lessor
					Limited
Unit VI	Village Rajgarh Hadbast No. 243, Tehsil Paeel, District Ludhiana, Punjab, India	Owned	-	NA	-
Unit VII	Village Barotiwala, Pargana Doon, Tehsil Kasuali, District Solan, Himachal Pradesh, India	Owned	-	NA	-
Unit VIII	Village Jharmajri P.O., Barotiwala, District Solan, Himachal Pradesh, India	Owned	-	NA	-
Unit IX	K/K no. 312/314, Khasra No. 955/908/34 (2-17), Khasra No. 959/910/35 (3-03) and Khasra No. 965/910/37 (00-08), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India K/K no. 312/314, Khasra No. 910/35/2/2/2/1 (1-11), Khasra No. 910/35/2/2/2/2 (1-12) and 965/912/37 (0-80), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India	Leased	August 21, 2020 to August 31, 2030 and April 1, 2022 to March 31, 2027	No	Atul Gupta and Vipin Gupta
Warehouse	Rameshwarpur (Lalpur) Opp Golju Vohar Colony (On Lalpur-Nagla Road, Tehsil Kichha, District Udham Singh Nagar, 263 148 Uttarakhand), India	Leased	Till December 1, 2029	No	Manju

Any unscheduled or prolonged disruption at such facilities, including due to fire, unexpected mechanical failure of equipment, disruptions in electrical power or water resources, earthquakes and other natural disasters, industrial accidents and any significant social, political or economic disturbances, could affect our ability to manufacture our products and hinder our ability to meet customer demand and could result in significant repair and maintenance costs. While we have not experienced any such instances during the three months ended June 30, 2025 and in the last three Fiscals which had an adverse impact on our business, results of operations, financial condition and cash flows, any of the above local and regional factors, or changes in policies of the state or local governments, may adversely affect our results of operations, financial condition and cash flows, we cannot assure you that such instances will not adversely impact us in the future. Our conveyance deed for Unit II includes restrictive covenants such as a requirement for consent from the transferor of the land upon payment of a fee (i) in the event that a change in constitution of the Company involving the induction of a third party (other than family members) into the Company, subject to the condition that the Company/ the family members retain at least 51% share in the Company; (ii) in case the Company, being a private limited company becomes public limited company listed with recognized stock exchange, the change in constitution may be allowed by the transferor of the relevant property on payment of the applicable processing fee subject to the condition that the transferee or his associates (family members), retain the largest shareholding with management control, otherwise it will be treated as a case of transfer and shall be dealt under the relevant provisions. While we will apply for the requisite approval from the lessor prior to filing the Red Herring Prospectus, the grant of such approval will be subject to the transferor's review and satisfaction of applicable conditions.

Further, if we were found to be in contravention of any of the conditions of our regulatory approvals required for our manufacturing facilities, we may be required to cease our operations at such facilities, or limit production until the disputes concerning such approvals are resolved. While we have not experienced any disruption at our facilities on account of non-compliance of any conditions of our regulatory approvals during the three months ended June 30, 2025, and in the last three Fiscals, resulting in an adverse impact on our business or results of operations, we cannot assure you that such instances will not arise in the future.

Further, most of our manufacturing facilities including our Registered Office, as provided above, are not located on land owned by us and we have only leasehold rights. The termination of our lease agreements, or our failure to renew such agreements, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to renew any such arrangements when the term of the original arrangement expires, on similar terms or terms reasonable for us or obtain any consent required under these arrangements in a timely manner or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements, and we cannot assure that the new arrangements will be on commercially acceptable terms. While we have not faced any instances of difficulties in negotiating our lease arrangements or premature termination of existing lease agreements that led to any adverse effect on our business or operations in the last three Fiscals, we cannot assure you that such instances will not occur in the future.

9. *We do not have agreements having commitment on part of our customers to purchase or place orders with us. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.*

Our sales are typically based on customer purchase orders and forecasts, which is common in the automotive industry. These purchase orders set forth the terms of sales but do not bind these customers to any specific products, specifications, purchase volumes or duration and can be terminated by these customers with or without cause and without compensation. While some customers issue purchase orders and scheduling agreements, these do not always guarantee minimum volumes. As a result, customers may reduce or cancel orders at any time, which could adversely affect our business and results of operations.

If we fail to meet our purchase orders or contractual obligations in a timely manner, particularly under our export contracts, or at all, some of our customers may be entitled to terminate the order or contract with no further liability or obligation to us. While we have not experienced product recalls due to manufacturing quality parameters, component issues, or rejection of product batches, discontinuation of products or instances of terminations by our customers during the three months ended June 30, 2025 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

Further, some of the purchase orders that we have entered into with our customers are governed by foreign laws, which may create both legal and practical difficulties in the case of disputes and affect our ability to enforce our rights under these agreements or to collect damages, if awarded. Such legal and practice difficulties may arise due to the different legal systems and procedures in those jurisdictions, challenges in interpreting the terms of the agreements, and enforcing judgments and awards in those foreign countries. While there has been no instance in the three months ended June 30, 2025 and the last three Fiscals where any of our domestic or international customers initiated a legal proceeding against us, there is no assurance that such instance will not arise in the future. Further, while our contracts may not provide exclusivity, we have not, in the three months ended June 30, 2025 and the last three Fiscals, experienced any instances of losing business to competitors on account of such non-exclusivity, we cannot assure you that such instances will not adversely impact us in the future.

10. *While we have experienced an increase in our profit from ₹ 140.65 million in Fiscal 2023 to ₹ 220.64 million in Fiscal 2025, our revenue from operations has declined from ₹ 6,129.38 million in Fiscal 2023 to ₹ 5,301.69 million in Fiscal 2025. We may not be able to increase our revenue from operations, gross margins or effectively execute our growth strategies in the future, which could have an adverse effect on our business, results of operations and financial condition.*

Our inability to manage our business and implement our growth strategies could have an adverse effect on our business, prospects, results of operations, financial condition and cash flows. We have experienced an increase in our profit from ₹ 140.65 million in Fiscal 2023 to ₹ 220.64 million in Fiscal 2025. However, our revenue from operations has declined from ₹ 6,129.38 million in Fiscal 2023 to ₹ 5,301.69 million in Fiscal 2025. The following table sets forth certain of our financial information for the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from operations (₹ million)	1,680.34	5,301.69	5,333.24	6,129.38
Gross profit ⁽¹⁾ (₹ million)	964.70	3,122.27	2,765.36	3,310.45
Gross margin ⁽²⁾ (%)	57.41%	58.89%	51.85%	54.01%
Restated profit for the	93.61	220.64	67.20	140.65

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
period/year ("PAT") (₹ million)				
PAT margin ⁽³⁾	5.57%	4.16%	1.26%	2.29%

Notes:

- (1) Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus (increase)/decrease in inventories of finished goods, work-in-progress and scrap.
- (2) Gross margin is calculated as gross profit divided by revenue from operations.
- (3) PAT margin is calculated as restated profit for the year/ period divided by revenue from operations.

Our revenue from operations decreased by 0.59% from ₹ 5,333.24 million in Fiscal 2024 to ₹ 5,301.69 million in Fiscal 2025 primarily on account of decrease in revenue from sale of products from ₹ 4,916.70 million in Fiscal 2024 to ₹ 4,849.30 million in Fiscal 2025. Notwithstanding the decline, our sales volume increased from 31,397 MT in Fiscal 2024 to 35,390 MT in Fiscal 2025. However, the benefit of higher volumes was offset by a decline in steel prices, our principal raw material. This deflation in input costs of our primary raw material led to a corresponding reduction in the average realisation per tonne, thereby impacting the overall sales volume of products. The decline in realisation contributed to a reduction in sales revenue from products, despite the increase in physical sales volumes. Additionally, sale of products was impacted by subdued sales to a key customer during the first half of Fiscal 2025, with supplies resuming in the third quarter, as well as the discontinuation of a specific export part by a customer, which affected our export revenues. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2025 Compared to Fiscal 2024*” on page 389.

Similarly, our revenue from operations decreased by 12.99% from ₹ 6,129.38 million in Fiscal 2023 to ₹ 5,333.24 million in Fiscal 2024 primarily on account of a decrease in sale of products from ₹ 5,627.29 million in Fiscal 2023 to ₹ 4,916.70 million in Fiscal 2024 mainly due to decrease in revenue from the tractors sector from ₹ 4,521.47 million in Fiscal 2023 to ₹ 3,896.22 million in Fiscal 2024, decrease in revenue from EV sector from ₹ 524.78 million in Fiscal 2023 to ₹ 270.79 million in Fiscal 2024. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2024 Compared to Fiscal 2023*” on page 391.

Our growth strategies include (i) leveraging our technology and in-house precision engineering capability to grow our product portfolio and capitalize on business opportunities in high-growth, high-margin EV, locomotive and windmill sectors, (ii) increasing our exports and presence in international markets, (iii) sustaining and strengthening our market share in the agricultural and construction equipment sectors; (iv) expanding capacity at our existing manufacturing facilities and set up a new manufacturing facility; (v) continuing to reduce operational costs and improve operational efficiencies through the introduction of new technology. For further information, see “*Our Business – Our Strategies*” on page 244. Our ability to manage our future growth will depend on our ability to continue to implement and improve operational, financial and management systems on a timely basis and to expand, train, motivate and manage our personnel. We cannot assure you that our future growth strategy will be successful. Further, as we operate in a highly competitive industry, we may have to revise our growth and expansion strategies from time to time, which may result in significant changes in our funding requirements and may put significant strain on our resources. If we are unable to successfully execute our growth strategies in a timely manner, or at all, we may not witness the expected level of growth in the number of customers that we serve and our business, results of operations, financial condition and cash flows could be adversely affected.

11. Our future growth strategy involves expanding into the electric vehicle ("EV") sector, which may not be successful and could adversely affect our business, financial condition, results of operations and prospects.

In 2019, we entered the fast growing EV segment to cater to rising domestic procurement needs and capitalise on the global supply-chain shift away from China & Taiwan, that is channelling a significant share of EV component demand to India. (Source: *1Lattice Report*) We commissioned our greenfield facility, Unit IX, primarily dedicated to EV-drivetrain components, and invested more than ₹ 700.00 million in advanced technologies in the last three Fiscals to meet the stringent tolerances required by electric vehicles. The table below sets forth the revenues from EV sector, expressed as a sale of products for the period/ years indicated:

End-use Sector	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Electric vehicles	88.13	5.60%	198.09	4.08%	270.79	5.51%	524.78	9.33%

We intend to significantly grow our presence in this sector. While this represents a strategic opportunity, it also exposes us to risks inherent in a nascent and highly dynamic market, including evolving technologies, uncertain regulatory frameworks, and intense competition from established and emerging players. For further information, see "Our Business – Our Strengths - Diversified business model serving multiple sectors, well-positioned to capitalize on the growing demand for high precision and complex engineered components across various sectors, including EV" on page 239. As part of this strategy, our Company proposes to utilise an amount of up to ₹ 2,964.21 million from the Net Proceeds for financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh (the "**Proposed Greenfield Project**"); for manufacturing (i) electric vehicle ("EV") components requiring high-speed precision gears, and (ii) heavy components for locomotives, windmills, and other heavy industries. For further details, see "Objects of the Offer – Proposed Greenfield Project" on page 123.

There is no assurance that demand for EV components will grow as anticipated or that we will be able to successfully execute our strategy, achieve expected returns on our investments, or maintain profitability in this sector. Any inability to adapt to technological changes, secure customer programs, or manage pricing pressures could adversely affect our business, financial condition, and results of operations. Further, such diversification requires considerable time of the management of our Company, start-up expenses, expenditure on capital improvements and modification of our existing operations before any significant revenue is generated. Therefore, we may not be able to diversify our business, which could have a material adverse effect on our business, financial condition and results of operations.

12. Our business requires significant amount of working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, financial condition and cash flows.

Our business requires significant amounts of working capital, including for financing our raw material and component purchases and manufacturing our products, before we receive payments from our customers. Our working capital requirements may increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product. Moreover, our working capital requirements may also increase in the event we undertake a larger number of orders due to the growth of our business. The following table sets forth details in relation to our working capital requirements:

Particulars	As of/ for the three months ended June 30, 2025	As of/ for the year ended March 31, 2025	As of/ for the year ended March 31, 2024	As of/ for the year ended March 31, 2023
Working capital loan utilization (₹ million)	3,054.06	2,873.26	2,125.43	1,876.44
Inventory days ⁽¹⁾	216	251	190	147
Trade receivables days ⁽²⁾	85	97	103	84
Trade payable days ⁽³⁾	101	125	120	99

Notes:

⁽¹⁾ For Fiscal 2025, 2024, 2023: Inventory days are calculated as average inventory divided by cost of goods sold ("COGS") multiplied by 365 days. For three months ended June, 30, 2025: Inventory days are calculated as average inventory divided by cost of goods sold ("COGS") multiplied by 91 days.

⁽²⁾ For Fiscal 2025, 2024, 2023: Trade receivables days are calculated as average trade receivables divided by revenue from operations multiplied by 365 days. For three months ended June, 30, 2025: Trade receivables days are calculated as average trade receivables divided by revenue from operations multiplied by 91 days.

⁽³⁾ For Fiscal 2025, 2024, 2023: Trade payable days are calculated as trade payable divided by COGS multiplied by 365 days. For three months ended June, 30, 2025: Trade payable days are calculated as trade payable divided by COGS multiplied by 91 days.

The actual amount and timing of our future working capital requirements may differ from estimates as a result of several factors, including events beyond our control, delays or cost overruns, unanticipated expenses, regulatory changes, adverse economic conditions, technological changes and additional market developments. Further, changes in governmental policies and compliance with those changes may require significant investment in technology and infrastructure, increasing our working capital requirements. Further, our future success depends

on our ability to continue to secure and successfully manage sufficient amounts of working capital. Our inability to obtain adequate amounts of working capital in a timely manner and on terms that are acceptable to us, may adversely affect our business, results of operations, financial condition and cash flows.

In addition, we have continuous working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals, bill discounting and financing from various banks by way of working capital facilities including working capital loans. There can be no assurance that we will be able to secure adequate financing in the future on commercially acceptable terms, or at all, including in the event our lenders call in loans repayable on demand or if there is a change in applicable regulations. An inability to obtain or maintain sufficient cash flow, credit facilities and other sources of funding to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations. For further information, see “*Financial Indebtedness*” on page 401.

13. *We have substantial capital expenditure and may require additional capital and financing in the future. Our operations and growth prospects could be adversely affected if we are unable to obtain the required additional capital and financing when needed.*

Our business is capital intensive. The table below sets forth details of our capital expenditure for the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capital expenditure (₹ million)	82.89	755.94	467.55	646.55
Total Capital expenditure as a % of revenue from operations	4.93%	14.26%	8.77%	10.55%

*Capital expenditure is calculated as payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and adjustment for movement in capital advance).

Our sources of additional capital, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows.

14. *We are measured against high quality standards and stringent performance requirements by our customers. Any failure by us to comply with these standards, customization or performance requirements may lead to the cancellation of existing and future orders, recalls, liquidated damages, invocation of performance bank guarantees, security deposit and indemnity or liability claims, which could adversely affect our reputation, business, results from operations, financial conditions, cash flows and prospects.*

We are engaged in the manufacturing and supply of critical and complex products such as bull gears, transmission gears and transmission shafts, rear axles, internal ring gears and rock shafts and induction hardened shafts which are used in various industries including agricultural, construction equipment, electric vehicles, locomotive, and windmill and other heavy industries. These products are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. We have not experienced any instances of product recalls, cancellation of existing and future orders by our customers during the three months ended June 30, 2025 and in the last three Fiscals, but we cannot assure you that such instances will not arise in the future. Failure by us to achieve or maintain compliance with these requirements or quality standards or keep up with evolving specifications may disrupt our ability to supply products sufficient to meet our customers’ demands, lead to the cancellation of existing and future orders, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls and paying warranty and liability claims, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. While there have been no instances in the three months ended June 30, 2025 and the last three Fiscals, where we were not able to meet specification requirements or keep up with evolving specifications, we cannot guarantee that we will continue to meet standards required by our customers in the future.

Further, the supply of contrary to specification products may result in our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations.

Furthermore, we may be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. While there have been no instances where we were subject to any warranty or product liability claims in the three months ended June 30, 2025 and the last three Fiscals, we cannot guarantee that we can continue to comply with all regulatory requirements or the quality standards required by our customers and there can be no assurance that no product liability claim will arise in the future.

During commercial production, our products may contain manufacturing defects that render them unsuitable as engineered transmission components and could necessitate recalls or design changes. Although we undertake quality control checks on a sample basis we have a limited frame of reference from which to evaluate the long-term performance of our products. Any non-compliance or failure of our products could lead to claims being invoked against us, or may require us to recall the products and reimburse prices paid. While there have been no such instances in the three months ended June 30, 2025 and in the last three Fiscals which had a material impact on our business and results of operations, if our products do not meet necessary specifications or fail to perform as expected, we could be exposed to significant liability, customers may delay deliveries, terminate further orders or initiate product recalls. Further, while there have been no instances where we had to recall our products in the three months ended June 30, 2025 and the last three Fiscals, we cannot assure you that such instance will not arise in the future. The occurrence of any of these events could impact our sales and brand, thereby adversely affecting our business, results of operations, financial condition and cash flows.

- 15. *We propose to utilize a significant portion of the Net Proceeds towards funding our capital expenditure requirements. As of the date of this Draft Red Herring Prospectus, we have not placed orders for the equipment and machinery intended for setting up of a new manufacturing facility. Any delay in placing such orders, or any inability of the vendors to supply the equipment and machinery in a timely manner, or at all, may lead to time and cost overruns, which could adversely affect our business, prospects and results of operations.***

We intend to utilize a portion of the Net Proceeds towards funding capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh (the “**Proposed Greenfield Project**”) in proximity to our existing manufacturing units in Himachal Pradesh, which includes the purchase of machinery and equipment, electricals and utilities, undertaking related construction and civil works and incurring miscellaneous costs such as design, architect fees and approvals related expense. We have yet to make any payment for purchase of, or place any orders for, plant or machinery in relation to such Proposed Greenfield Project, and there is no assurance that we will be able to place such orders in a timely manner or at all.

We have not entered into any definitive arrangements to utilize the Net Proceeds for the Proposed Greenfield Project and have relied on the quotations received from third parties to estimate the cost of the Proposed Greenfield Project. While we have obtained quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time i.e., typically up to six to nine months and may be subject to revisions, and other commercial and technical factors. We cannot assure you that the actual costs incurred in relation to this Proposed Greenfield Project will be similar to and not exceed the amounts indicated in the third-party quotations. For further details, see “*Objects of the Offer – Details of the Objects – Proposed Greenfield Project*” on page 123.

In addition, our actual capital requirements and timing may differ from current estimates due to, among other things, unforeseen delays, cost overruns, unanticipated expenses, regulatory changes, or design and technological modifications.

Any delay in placing orders, escalation in acquisition costs, or failure by vendors to supply equipment and machinery in a timely manner, or at all, could result in time and cost overruns. Further, if we are unable to procure the required equipment or machinery from the vendors who have provided quotations, we may not be able to identify alternative vendors who can supply materials meeting our requirements at acceptable prices. The completion of the Proposed Greenfield Project is dependent on the performance of external agencies, which are responsible for inter alia construction of buildings, installation and commissioning of plant and machinery. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns. Our inability to procure the requisite equipment and machinery on time or at reasonable cost may

result in an increase in capital expenditure, delays or variations in the proposed implementation schedule and deployment of the Net Proceeds, and could materially and adversely affect our business, prospects and results of operations.

The Proposed Greenfield Project will also require us to obtain various approvals. For e.g. an application dated March 4, 2024 was filed for the building plan approval for the Proposed Greenfield Project. An intimation regarding acceptance of the application has been received and upon a payment of the relevant fee, the building plan approval will be issued. Our Company has also filed an application dated October 7, 2025 for the consent to establish for the Proposed Greenfield Project. Further, there are certain approvals that will be applied for at the relevant stage that they are required at. For further details, see “*Objects of the Offer – Details of the Objects – Proposed Greenfield Project – Government Approvals*” on page 130. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or varied accordingly. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost efficiencies and any consequent growth in our business. Our inability to procure such approvals or machinery and equipment at acceptable prices or in a timely manner may result in an increase in capital expenditure and/or in the extension of the proposed schedule implementation and deployment of Net Proceeds.

16. *We are subject to counterparty credit risk and any delay in receiving payments, or non-receipt of payments, from our customers could have an adverse effect on our business, results of operations, financial condition and cash flows.*

Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of uncertainty regarding the receipt of such outstanding amounts. Any delay or default in customers’ payment obligations towards us could lead to an increase in our receivables. The table below sets forth details of our trade receivable days, our trade receivables and trade receivable turnover ratio as of and for the periods/years indicated:

Particular	As of/ for the three months ended June 30, 2025	As of/ for the year ended March 31,		
		2025	2024	2023
Trade receivable days*	85	97	103	84
Trade receivables (₹ million)	1,710.08	1,436.24	1,378.04	1,618.41
Trade receivable turnover ratio^	1.07	3.77	3.56	4.34

* For Fiscal 2025, 2024, 2023, Trade receivables days are calculated as average trade receivables divided by revenue from operations multiplied by 365 days. For three months period ended June 30, 2025: Trade receivables days are calculated as average trade receivables divided by revenue from operations multiplied by 91 days.

^ Trade receivable turnover ratio is calculated as revenue from operations divided by average trade receivables.

The following table below sets forth details of provisions for impairment allowance, impairment allowance as a percentage of revenue from operations, as well as bad debts written off, in the corresponding periods/years:

Particular	As of/ For the three months ended June 30, 2025	As of/ For the year ended March 31,		
		2025	2024	2023
Impairment Allowance (₹ million)	22.39	22.83	30.47	24.67
Impairment Allowance, as a percentage of revenue from operations	1.33%	0.43%	0.57%	0.40%
Bad debts written off (₹ million)	9.25	Nil	13.51	45.84

Changes in macroeconomic conditions, such as an increase in interest rates or a credit crisis could lead to financial difficulties for our customers, including limited access to credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, which could lead to an increase in our receivables. Delayed payments or non-payment by our customers negatively affect our working capital requirements and may entail incurring additional finance costs. We may also encounter disputes with our customers for the recovery of delayed payments, which may strain our resources. Further, we cannot assure you that the outcome of these disputes will be in our favor. While in the ordinary course of our business we experience delays in receipt of payment, there have been no instances of disputed delays or non-receipt of payment during the three months ended June 30, 2025 and in the last three Fiscals which has an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that in the future such instances will not arise in the future. If our customers delay or default in making payments due to us, our profits margins and cash flows could be adversely affected.

17. Our Company, Promoters and Directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.

There are outstanding legal proceedings involving our Company, our Promoters and our Directors, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, results of operations, financial condition and cash flows. There are no criminal or regulatory proceedings pending against the Key Managerial Personnel and Senior Management of our Company.

The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved* (₹ in million)
Company						
By our Company	2	Nil	N.A.	N.A.	1	7.93
Against our Company	Nil	2 [#]	Nil	N.A.	2	58.14
Directors[^]						
By the Directors	Nil	Nil	N.A.	N.A.	Nil	Nil
Against the Directors	Nil	2	Nil	N.A.	Nil	14.03
Promoters[^]						
By the Promoters	Nil	Nil	N.A.	N.A.	Nil	Nil
Against the Promoters	Nil	2	Nil	Nil	Nil	14.03

* To the extent quantifiable.

[#]Includes appeals filed by our Company before the competent authorities.

[^]Includes details of proceedings involving the Promoters who are also Directors.

Further, a summary of outstanding litigation proceedings involving our Key Managerial Personnel and Senior Management, as on the date of this Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal Proceedings	Statutory or Regulatory Proceedings	Aggregate amount involved* (₹ in million)
Key Managerial Personnel[^]			
By the Key Managerial Personnel	Nil	Nil	Nil
Against the Key Managerial Personnel	Nil	Nil	Nil
Senior Management[#]			
By the Senior Management	Nil	Nil	Nil
Against the Senior Management	Nil	Nil	Nil

* To the extent quantifiable.

[^]Includes details of proceedings involving the Executive Directors who are also Key Managerial Personnel.

[#]Includes details of proceedings involving Key Managerial Personnel who are also members of the Senior Management.

Further, as on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving any of our Group Companies which will have a material impact on our Company.

We cannot assure you that any of these matters will be settled in favour of our Company, Promoter, or Directors, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

For further information, see “*Outstanding Litigation and Other Material Developments*” on page 404.

18. *Our operations involve activities and materials that are inherently hazardous. In the past, there has been one fatal incident at one of our project sites. Such incidents could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.*

Our operations are subject to operating risks associated with forged and machined products manufacturing. Certain operations at our manufacturing facilities, including die-grinding, forging or heat treatment can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. For instance, risk of crush injuries from manual or mechanical handling of large and heavy gear or axle components or the audiometry of our employees may be impacted by the sound generated from hammering of forged products. For example, in 2021, an incident occurred at our Jharmajri plant, where a labor lost his life after falling from the roof while replacing shed sheets. A total compensation of ₹ 3.00 million was paid to the family of the deceased. We also have had a few minor accidents involving our employees in the three months ended June 30, 2025 and the last three Fiscals. Given that these incidents were covered under employee state insurance, we did not claim any insurance amount for such accidents. We cannot assure you that such instances will not adversely impact us in the future.

Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases; and other environmental risks. While there have been no instances of such hazards in the three months ended June 30, 2025 and the last three Fiscals, we cannot assure you that such instances will not arise in the future, which may adversely affect our reputation and business. The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected. Further, our customers may require us to invest in additional safety protocols which impose incremental expenses and may impact our ability to operate at optimum efficiencies. While there have been no instances of such imposition by our customers in the three months ended June 30, 2025 and the last three Fiscals, we cannot assure you that such instances will not arise in the future. Any such action by any of our customers may adversely impact our business, results of operations, cash flows and financial condition.

19. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, financial condition and cash flows.*

We have entered into financing arrangements with various lenders for both, short-term and long-term facilities to meet our working capital requirement and facilitate the purchase of capital goods. As of June 30, 2025, our borrowings amounted to ₹ 3,825.81 million. The table below sets forth details of our finances costs, borrowings and total debt as of and for the years indicated:

Particulars	As at/ for the three months ended June 30, 2025	As at/ for the year ended March 31, 2025	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023
	(₹ million, except percentages)			
Finance costs	81.56	292.13	268.63	228.26
Borrowings (current plus non current borrowings)	3,825.81	3,727.57	3,152.45	3,168.43
Total Debt ⁽¹⁾	4,206.22	4,083.17	3,367.15	3,378.36

⁽¹⁾ Total debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities and current lease liabilities.

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including

capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions. Some of our financing arrangements may have restrictive or onerous covenants that require us to seek consent of our lenders, or intimate such lenders, upon the occurrence of specified events. Some of the corporate actions that require prior consents from or intimations to certain lenders include, amongst others, (i) effecting any change in the capital structure in any manner whatsoever (ii) effecting changes in our shareholding pattern; (iii) effecting changes in our management; (iv) amending and/or modifying our constitutional documents; and (v) opening any current account with any bank in future without prior consent. While we have received all relevant consents required for the purposes of this Offer and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. While we have not defaulted on any covenants in our financing agreements during the three months ended June 30, 2025 and in the last three Fiscals, failure to observe the covenants under our financing arrangements, or to obtain necessary consents/ waivers, constitutes default under the relevant financing agreements and will entitle the respective lenders to enforce remedies under the terms of the financing agreements, and we cannot assure you that such instances will not adversely impact us in the future. Remedies may include acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements, taking possession of the assets given as security in respect of the financing agreements, and utilising any amounts in the bank account to service and repay such facilities.

In terms of security, we are typically required to create a mortgage or charge over our current assets, movable and immovable properties and personal guarantees from our promoters and directors. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios. While there has been no re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the three months ended June 30, 2025, and in the last three Fiscals, we cannot assure you that such instances will not arise in the future, which may adversely affect our reputation and business. Further, we are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. For further details, see “*Financial Indebtedness*” on page 401.

20. *We are dependent on third parties for the transportation of our products to our customers. Any failure by or loss of a third-party transport service provider could result in delays and increased costs, which may adversely affect our business, results of operations, financial condition and cash flows.*

We rely on third parties for the transportation services for the timely delivery of our products to our customers. The following table sets forth the freight and cartage expense incurred, as a percentage of our total expenses and revenue from operations in the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)			
Freight and cartage expense	23.48	87.90	83.46	124.20
Freight and cartage expense as a percentage of total expenses	1.51%	1.69%	1.59%	2.08%
Freight and cartage expense as a percentage of revenue from operations	1.40%	1.66%	1.56%	2.03%

We engage third-party logistic service providers to provide support our transportation requirements on a need basis. In the event that these third party logistic service providers are unable to provide services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, reputation, results of operations, financial condition and cash flows may be adversely affected. Disruptions of transportation services because of natural disasters, pandemics, mass protests, civil unrest, strikes, lockouts or other events may affect our delivery schedules and impair our supply to our customers. While we have not experienced any such disruptions that affected our delivery scheduled and impaired our supply to our customers during the three months ended June 30, 2025 and in the last three Fiscals, we cannot assure you that such instances will not arise in future.

21. *Certain of our corporate records and filings with the RoC are not traceable or were delayed in filing or were inaccurate. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.*

Our Company was incorporated in 1984, as a private limited company and became a public limited company only in 2025. Since our incorporation and prior to conversion into a public company, our Company is unable to trace certain form filings filed with the RoC or was delayed in filing certain forms with the RoC. For instance, our Company is unable to trace:

S. No.	Particulars	Documents unavailable															
Equity share capital history of our Company																	
1.	Allotment of 49,990 equity shares of ₹10 each on September 30, 1984	Form 2, list of allottees along with relevant challan															
2.	Allotment of 60,000 equity shares of ₹10 each on February 1, 2000																
3.	Allotment of 165,015 equity shares of ₹10 each on February 25, 2001																
Management																	
4.	Initial appointment of Ashok Kumar Tandon and Aradhna Tandon	Form 32 along with relevant challan															
Miscellaneous																	
5.	Annual return in Schedule V with challan since incorporation till 1999-2000																
6.	Challan of annual return filed in Schedule V/20B and MGT-7 from Fiscal 2000-01 to Fiscal 2014-15																
7.	Incorporation forms of the Company	Form 1A, Form 1, Form 18 and Form 32 along with challan															
8.	Reclassification of 50,000 preference shares of Rs. 10 each to 50,000 equity shares of Rs. 10 each as on February 1, 2001	Form 5 along with challan															
9.	Balance sheet, board report and notice of annual general meetings	<table><tr><th>S No.</th><th>Period</th><th>Details of Documents/Forms</th></tr><tr><td>1</td><td>Since incorporation till Fiscal 2004-05</td><td>Balance sheet in form 23 AC and 23ACA with challans</td></tr><tr><td>2.</td><td>Since Incorporation till Fiscal 2004-05</td><td>Attachment of Form 23AC board report with challans</td></tr><tr><td>3.</td><td>Since Incorporation till Fiscal 2004-05</td><td>AGM Notice</td></tr><tr><td>4.</td><td>Fiscal 2005-06 till Fiscal 2014-15</td><td>Challans of Form 23AC and 23 ACA and AOC4</td></tr></table>	S No.	Period	Details of Documents/Forms	1	Since incorporation till Fiscal 2004-05	Balance sheet in form 23 AC and 23ACA with challans	2.	Since Incorporation till Fiscal 2004-05	Attachment of Form 23AC board report with challans	3.	Since Incorporation till Fiscal 2004-05	AGM Notice	4.	Fiscal 2005-06 till Fiscal 2014-15	Challans of Form 23AC and 23 ACA and AOC4
S No.	Period	Details of Documents/Forms															
1	Since incorporation till Fiscal 2004-05	Balance sheet in form 23 AC and 23ACA with challans															
2.	Since Incorporation till Fiscal 2004-05	Attachment of Form 23AC board report with challans															
3.	Since Incorporation till Fiscal 2004-05	AGM Notice															
4.	Fiscal 2005-06 till Fiscal 2014-15	Challans of Form 23AC and 23 ACA and AOC4															

We have included these details in this Draft Red Herring Prospectus basis the search report issued by the Practicing Company Secretary pursuant to their inspection and independent verification of the documents available or maintained at the registered and corporate office and other offices by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated November 6, 2025 prepared by Shirin Bhatt & Associates, Practicing Company Secretaries (Firm Registration No: S2011DE162600), and certified by their peer review certificate bearing certificate no. 1209/2021. Further, we have also sent an intimation through our letter dated November 6, 2025, to the RoC informing them of the missing forms highlighted above.

Further, instance where our Company delayed filing a corporate record is as follows:

S. No.	Particulars	Issue	Corrective Action
1.	Delayed filing for Form MGT-14	Our Company was required to pass a shareholders' resolution for continuation of term beyond the age of 70 years for our Chairman-cum-Executive Director, Ashok Kumar Tandon, who attained the age of 70 years on March 26, 2016, as per the provisions of Section 196(3)(a) read with Schedule V of the Companies Act, 2013. In this regard, our Company passed a shareholders' resolution dated September 30, 2015, however, the corresponding Form MGT-14 was not filed by our Company.	Our Company has filed Form MGT-14 dated November 1, 2025, along with late filing fees of ₹0.01 million.
2.		Our Chairman-cum-Executive Director, Ashok Kumar Tandon, resigned as the managing director from our Board with effect from April 16, 2016, and was subsequently appointed as the Chairman-cum- Executive Director for a term of five years with effect from April 16, 2016. In this regard, our Company passed a shareholders' resolution dated April 16, 2016, however, the corresponding Form MGT-14 was not filed by our Company.	Our Company has filed Form MGT-14 dated November 1, 2025, along with late filing fees of ₹0.01 million.

While there have been no regulatory proceedings or actions initiated against us in relation to the aforementioned non-availability of the corporate records or delayed filings, we cannot assure you that we will not be subject to legal proceedings, regulatory action or penalties imposed by statutory or regulatory authorities in this respect, which may adversely affect our business, financial condition, results of operations and reputation.

Furthermore, our Company has, in the past, made certain inadvertent errors in its secretarial filings, primarily of a technical or clerical nature, in relation to Forms AOC-4 XBRL and MGT-7 filed for Fiscal 2023 and Fiscal 2024. These inconsistencies were pertaining to tagging, mapping, and data-alignment aspects encountered during preparation and filing. For instance, few examples being among others i) in the Form AOC-4 XBRL filing of the standalone financial statements for Fiscal 2023, the name of the Company was inadvertently stated as "*Milestone Power Generation Limited*" instead of the correct name "*Milestone Gears Private Limited.*"; ii) in the financial statements for Fiscal 2023, while presenting comparative data for Fiscal 2022, the figures appearing in the balance sheet and statement of profit and loss were presented in a rounded-off format (rounded up after five and rounded down before five), as opposed to the exact figures reflected in the audited financial statements for Fiscal 2022; iii) the Form AOC-4 XBRL filing for Fiscal 2023 reflected details of subsidiaries—*Milestone Power Generation Limited* and *Ventana Clean Private Limited*—in certain fields. However, the Company does not have any subsidiaries, and such details were not applicable and need not have appeared in the filing. Further, certain discrepancies were also identified in the Form MGT-7 filings for Fiscal 2023 and Fiscal 2024, including among others i) non-disclosure of the remuneration of Biresh Kumar Thakur, Director of the Company; and ii) omission of the extraordinary general meetings held on April 14, 2022 and May 7, 2022, from the list of meetings disclosed in the respective filings. Accordingly, our Company has filed an application dated November 10, 2025, before the RoC to mark the e-forms AOC-4 XBRL and MGT-7, as defective and not to be taken on record and allow the Company to file fresh Form AOC-4 and MGT-7 for the stated periods.

We cannot ascertain the action that the RoC may take against us or the penalties that may be levied against us in this regard or any other regulatory or statutory action that may be taken against us in this regard. Such actions and penalties may have an adverse effect on our business, financial condition and reputation. Further, we cannot assure you that there will not be any discrepancies or errors in our filings in the future, which may subject us to regulatory actions and/or penalties in the future. We may also be subject to regulatory actions and penalties for any past or future non-compliances in corporate filings by our Company. Further, there can be no assurance that no additional discrepancies in past records or filings will be identified upon further regulatory review. Any such observations, if made, may subject our Company to regulatory scrutiny, directions or penalties. In the event there is an outcome which is unfavourable to our Company, it will have an adverse effect on our business, financial condition and reputation.

22. Past delay in transfer of unspent Corporate Social Responsibility ("CSR") amount.

Our Company had, in accordance with its policy on CSR and the provisions of Section 135 of the Companies Act, 2013, disbursed the requisite CSR amounts for Fiscals 2021 and 2022 to an independent implementing agency duly registered under the applicable laws (“**Implementing Agency**”). Owing to the nationwide lockdowns and restrictions during the COVID-19 pandemic, coupled with certain inadvertent delays in project execution, some CSR projects undertaken through the Implementing Agency could not be completed within Fiscal 2021 and Fiscal 2022, resulting in a portion of the CSR funds remaining temporarily unspent. The unspent CSR amount was utilised in Fiscal 2025 by being subsequently transferred to the Prime Minister’s National Relief Fund on September 6 and 7, 2024, thereby regularising the delay and ensuring compliance with the statutory requirements. Our Company has filed an adjudication application dated November 14, 2025, before the RoC, seeking relief from payment of penalty under Section 135 of the Companies Act for the said delay as under the Section 135 of the Companies Act read along with the relevant rules, there is no procedure for the Implementing Agency to either return the unspent CSR funds to the Company or to transfer such unspent amounts to the funds specified under Schedule VII of the Companies Act, 2013. While our Company believes that the delay was inadvertent and occurred due to exceptional circumstances beyond its control, and that it has acted in good faith and in conformity with the law, there can be no assurance that no penalty or adverse order will be imposed by the competent authority in this regard. In the event there is an outcome which is unfavorable to our Company, it will have an adverse effect on our business, financial condition and reputation. Further, while our Company will strengthen its internal processes to prevent any recurrence, there can be no assurance that similar incidents will not arise in the future. Any such instance may expose our Company to regulatory scrutiny, penalties, or adverse orders, which could, in turn, adversely affect our business, financial condition, results of operations and reputation

23. Our ability to access capital at attractive costs depends on our credit ratings. Downgrade of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business, results of operations, financial condition and cash flows.

The cost and availability of capital depends on our credit ratings. The following table sets forth the credit rating received by our Company during the three months ended June 30, 2025 and in the last three Fiscals, and from July 1, 2025 till the date of this Draft Red Herring Prospectus:

Rating Agency	Instruments	Credit Rating/ Outlook	Date
Infomerics Ratings	Long Term facilities	IVR BBB+	August 5, 2022
Infomerics Ratings	Short Term facilities	IVR A2	August 5, 2022
Infomerics Ratings	Long Term facilities	IVR BBB+	May 24, 2023
Infomerics Ratings	Short Term facilities	IVR A2	May 24, 2023
Infomerics Ratings	Long Term facilities	IVR BBB+	March 1, 2024
Infomerics Ratings	Short Term facilities	IVR A2	March 1, 2024
Infomerics Ratings	Long Term facilities	IVR BBB+	October 8, 2024
Infomerics Ratings	Short Term facilities	IVR A2	October 8, 2024

We have not obtained any credit rating in Fiscal 2025. Further, while we have not experienced a downgrade in our credit rating since April 1, 2022 till the date of this Draft Red Herring Prospectus, we cannot assure you that such instances will not arise in the future. Any future downgrade, or inability to obtain credit ratings in a timely manner, or poor ratings, could increase our borrowing costs. These events may also give the right to our lenders to review the facilities availed by us under our financing arrangements and affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

24. We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.

We are required to obtain certain approvals, registrations, permissions and licenses under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, state governments and certain other regulatory and government authorities, for operating our business such as consent to operate, registration and license to work a factory, amongst others, all of which are required to undertake our operations. For further information on the nature of approvals and licenses required for our business and for information on the material approvals applied for, see “*Government and Other Approvals*” on page 411. A majority of these approvals, including the consent to operate under environmental laws, are granted for a limited duration and require renewal from time to time. These approvals, licenses, registrations and permissions may be subject to numerous conditions. In addition, we have and may need to in the future apply for certain additional approvals as required for our business. We cannot assure you that such approvals and licenses will be granted or renewed in a

timely manner or at all by the relevant governmental or regulatory authorities. Certain of our approvals which we have applied for but not received include: (i) Fire no objection certificate under Fire and Emergency Services Act, 2022 for Unit III; (ii) Fire no objection certificate under Fire and Emergency Services Act, 2022 for Unit VII; and (iii) Fire no objection certificate under Fire and Emergency Services Act, 2022 for Unit VIII. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, financial condition and cash flows. While there has been no instance where we failed to obtain regulatory approvals, or where our license was suspended or cancelled by any regulatory authority, during the three months ended June 30, 2025 and in the last three Fiscals which had an adverse impact on our operations, we cannot assure you that such instances will not arise in the future.

25. *Our Company's logo is not registered as on date of this Draft Red Herring Prospectus. However, application for registration of our trademark has been filed. We may be unable to adequately protect our intellectual property and/ or be subject to claims alleging breach of third-party intellectual property rights.*

As of the date of this Draft Red Herring Prospectus, we do not hold any intellectual property including patents. Our application dated July 21, 2025, is pending under the Trademarks Act, 1999, for obtaining trademark



registration of a device mark under Class 12, in the name of our Company with the Registrar of Trademarks. Accordingly, we do not currently enjoy the statutory protections accorded to registered trademarks. For further details, see the chapter “Government and Other Approvals” beginning on page 411 of this Draft Red Herring Prospectus.

If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary property could deteriorate. We cannot assure you that our applications for registration will be granted by the relevant authorities in a timely manner or at all. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Our logo and other marks are significant to our business and operations, and any unauthorized use of our logo or other brands by third parties could adversely impact our reputation, which in turn could affect our business and results of operations. While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. In the event our applications are rejected, our business, financial condition, results of operations and cash flows could be adversely affected. Further, obtaining, protecting and defending intellectual property rights can be time-consuming and expensive and may require us to incur substantial costs, including diversion of the time and resources of our management and technical personnel.

While we endeavour to ensure compliance with the intellectual property rights of others, there can be no assurance that we will not face intellectual property infringement claims brought by third parties. Such claims may require us to introduce changes to our operations. Any such claims, whether or not successful, could compel us to incur significant costs in responding to, defending and resolving the claims, and may divert the time and attention of our management and personnel away from our business. In addition, we could be required to pay damages in connection with third-party infringement claims. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

26. *Under-utilization of our manufacturing capacities over extended periods, or significant underutilization in the short term could increase our cost of production and our operating costs and adversely impact our business, growth prospects and future financial performance.*

The capacity utilization is affected by our product mix, our ability to secure orders from our customers, the availability of raw materials, and industry and market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our manufacturing facilities or are unable to procure sufficient raw materials, our capacity utilisation would decline and we would not be able to achieve full capacity utilization of our existing or future manufacturing facilities. The table below sets out our overall capacity utilization for the period/ years indicated:

Products	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capacity Utilisation (in %)*				
Bull Gears	90.81%	76.53%	70.97%	79.54%
Internal ring Gears	80.11%	83.00%	82.47%	74.84%
Transmission Gears & Transmission shafts	76.50%	79.07%	62.45%	75.75%
Rear Axles	92.83%	88.66%	75.95%	87.13%
Spindles	94.97%	84.12%	76.01%	89.11%
Rock shafts & Induction hardened shafts	93.57%	85.11%	80.46%	80.25%
Bevel Gears**	NA	5.84%	14.90%	64.73%
Ground gears and Shafts**	71.02%	70.60%	80.55%	NA

#As certified by Deepankar Sharma, independent chartered engineer, by certificate dated November 18, 2025.

* Capacity utilization has been calculated on the basis of actual production in the relevant period/ Fiscal divided by the available capacity for the relevant period/Fiscal.

**No production of Bevel Gears took place during the period ended June 30, 2025. Further, we did not produce Ground Gears and Shafts in Fiscal 2023 as we started producing and selling this product in Fiscal 2024.

For further information, see “Our Business - Installed Capacity, Actual Production and Capacity Utilisation” on page 260.

Underutilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could increase could limit our ability to leverage our economies of scale, our cost of production and our operating costs which could have an adverse impact our business, growth prospects and future financial performance.

27. Exchange rate fluctuations may adversely affect our business, results of operations, financial condition and cash flows.

Our financial statements are presented in Indian Rupees. However, our revenue from operations is influenced by the currencies in which we sell our products. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially US Dollar, British Pound, Swiss Franc, Japanese Yen, and Euro may have an adverse impact on our business, results of operations, financial condition and cash flows. The following table below sets forth details of our foreign currency exposure as of the dates indicated:

Particulars	As of June 30, 2025		As of March 31, 2025		As of March 31, 2024		As of March 31, 2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Absolute total foreign currency exposure on trade receivables	301.59	17.95%	248.75	4.69%	54.08	1.01%	215.10	3.51%
Absolute total foreign currency exposure on trade payables	3.13	0.19%	1.50	0.03%	-	NA	128.60	2.10%
Total foreign currency exposure (unhedged)	298.46	17.76%	247.25	4.66%	54.08	1.01%	86.50	1.41%
Gain on foreign exchange variation (net)	1.83	0.11%	11.66	0.22%	15.40	0.29%	10.34	0.17%

We do not have a hedging policy and have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency risk. Our failure to hedge effectively against exchange rate fluctuations may adversely affect our business, results of operations, financial condition and cash flows. While there has not been

any instance during the three months ended June 30, 2025 and in the last three Fiscals, wherein our failure to hedge foreign exchange exposure had an impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future.

28. *We have power, fuel and water requirements and any disruption to power or fuel or water sources could increase our production costs and adversely affect our business, results of operations, financial condition and cash flows.*

We require power, fuel and water for our operations. The following table sets forth below our power, fuel and water expenses in the periods/years indicated.

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)			
Power, fuel and water expenses	76.93	231.01	207.59	197.79
Power, fuel and water expenses, as a percentage of total expenses	4.93%	4.44%	3.95%	3.31%

We purchase utilities for our operations from the state electricity boards. In case the cost of electricity or water from state electricity or water boards is increased significantly and we are not able to pass on such increase to our customers, our cost of production and profitability will be adversely affected. Interruptions of electricity or water supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any significant increase in power price or increased interruptions may require us to add captive power generation capacity which will lead to incremental capital expenditure which may adversely impact our results from operations. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our business, results of operations, financial condition and cash flows may be adversely impacted. While there has been no such instance of interruption of electricity or water supply or any shutdown during the three months ended June 30, 2025 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

29. *Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.*

We intend to use the Net Proceeds of the Fresh Issue for a) repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company; b) financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh and c) towards general corporate purposes, as set forth in “Objects of the Offer” section on page 116. The objects of the Fresh Issue and deployment of funds have not been appraised by any bank or financial institution or any other independent external agency. The proposed utilization of Net Proceeds is based on our current business plan, management estimates, quotations received from vendors, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. For determining certain costs in relation to funding our capital expenditure, such as applicable taxes and freight charges, we have relied on reasonable internal management estimates of project expenses of similar nature in the past. There is no assurance that such estimates shall be accurate and we may be required to spend more for such expenses from our internal accruals or other sources of funds. While such estimates have been assessed by Deepankar Sharma, Chartered Engineer, in their detailed project report dated November 17, 2025, the actual costs may vary significantly due to various factors such as actual quotes received from the vendors, increase in estimated price and fluctuation in demand. Our actual expenditure may exceed our internal estimates which may have a bearing on our expected revenues and earnings further requiring us to reschedule our planned expenditure. Further, the deployment of the funds towards the Objects of the Offer is entirely at the discretion of our management. The exact amounts that shall be utilised from the Net Proceeds towards the stated Objects shall depend upon our business plans, market conditions, our Board’s analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for purposes identified by our management may not

result in actual growth of our business, increased profitability or an increase in the value of our business.

We shall appoint a monitoring agency to monitor the Gross Proceeds. Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. Various risks and uncertainties, including those set forth in this "Risk Factors" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, including delaying the schedule of implementation of projects for which the Net Proceeds are intended for. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates, for which we may require additional funding that we may not be able to arrange on commercially acceptable terms, or at all. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased revenue or profitability or an increase in the value of our business and your investment.

30. Any failure to compete effectively in the highly competitive transmission components manufacturing industry could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We face competition in India and overseas in our business, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, scope and quality of service, price and brand recognition. We compete with global competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios. Our peers are Bharat Forge Limited, Sona BLW Precisions Forgings Limited, Happy Forgings Limited, Ramkrishna Forgings Limited and Shanthi Gears Limited. (Source: 1Lattice Report) For more information on financial benchmarking, see "Industry Overview – Financial Benchmarking" on page 225. Increased competition may result in price reduction, reduced margins and a loss of our market share, any of which may adversely affect our business, results of operations, financial condition and cash flows. Also, some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. Accordingly, we may not be able to compete effectively with our competitors or may be required to reduce prices to remain competitive, which may have an adverse effect on our business, profitability margins, financial condition, results of operations and cash flows. Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers who may have an existing relationship with our customers that may reduce or entirely replace our business with those customers.

31. Our success depends upon knowledge and experience of our Directors, Key Managerial Personnel, Senior Management and other key employees as well as our ability to attract and retain personnel with technical expertise. In the three months ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023, our Company's attrition rate for permanent employees was 4.52%, 14.55%, 15.79% and 18.89%, respectively. The loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.

Our operations are dependent on our ability to attract and retain qualified personnel. While we believe that we currently have adequate qualified personnel, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. The loss of the services of our qualified personnel may adversely affect our business, results of operations, financial condition and cash flows.

As of June 30, 2025, we had 1,417 permanent employees. The following table sets forth the attrition rate for our permanent employees and Key Managerial Personnel and members of Senior Management of our Company for the years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of employees	1,417	1,372	1,336	1,388
Number of employees resigned	63	197	215	244
Attrition Rate* (%)	4.52%	14.55%	15.79%	18.89%
Total number of Key Managerial Personnel	4	4	4	4
Number of Key Managerial Personnel resigned	Nil	Nil	Nil	Nil
Attrition Rate of Key Managerial Personnel (%)*	NA	NA	NA	NA
Total Number of members of Senior Management (other than Key Managerial Personnel)	5 [^]	5	5	5
Number of members of Senior Management (other than Key Managerial Personnel) resigned	Nil	Nil	Nil	Nil
Attrition rate of members of the Senior Management Personnel (other than Key Managerial Personnel) (%)*	NA	NA	NA	NA

* Attrition rate is calculated as exits in the relevant category divided by average number of employees in the relevant period/Fiscal, in the relevant category.

[^] Except for Kumar Krishan Sharma, one of our Senior Management Personnel, as on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

We may require a significant amount of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation to remain competitive in attracting the qualified employees that our business requires.

The following table below sets forth details of our employee benefits expense for the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Employee benefits expense (in ₹ million)	142.05	528.59	567.29	551.03
% of revenue from operations	8.45%	9.97%	10.64%	8.99%
% of total expenses	9.11%	10.16%	10.79%	9.23%

Any loss of our Directors, Key Managerial Personnel, Senior Management or key employees or our inability to recruit further senior management or key managerial personnel could impede our growth by impairing our day-to-day operations. For information regarding changes in Directors, Key Managerial Personnel and Senior Management, see, “Our Management - Changes to our Board during the last three years” and “Our Management - Changes in the Key Managerial Personnel or the Senior Management in last three years” on pages 291 and 303, respectively. We cannot assure you that attrition rate of employees, KMPs and Senior Management will not increase in future, or there will not be any changes in KMPs and Senior Management in the future. Additionally, any leadership transition that results from the departure of any members of our senior management team and the integration of new personnel may be difficult to manage and may cause operational and administrative inefficiencies, decreased productivity amongst our employees and loss of personnel with deep institutional knowledge, which could result in significant disruptions to our operations. We will be required to successfully

integrate new personnel with our existing teams in order to achieve our operating objectives and changes in our senior management team may affect our results of operations as new personnel become familiar with our business. For further information in relation to the experience of our Individual Promoter, Key Management Personnel and Senior Management, see “Our Promoters and Promoter Group” and “Our Management” on pages 305 and 285, respectively.

32. Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, results of operations, financial condition and cash flows.

As on June 30, 2025, we had a workforce of 1,417 permanent employees. Work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, results of operations, financial condition and cash flows. We are also subject to laws and regulations governing various aspects of our relationship with our employees, encompassing minimum wages, working hours, working conditions, hiring and termination practices, and work permit authorization. For further details, see “Key Regulations and Policies in India” on page 269. Our employees are not unionised into any labor or workers’ unions. While we have not experienced any work disruptions due to labor issues in the three months ended June 30, 2025 and the last three Fiscals which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not adversely impact us in the future.

Our Company also appoints independent contractors who in turn engage on-site contract labor for performance of certain of our ancillary operations. As on June 30, 2025, we had 2,038 contract labourers. The table below sets forth details of our expenses towards contract labourers for the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Expenses towards contract labourer (₹ million)	167.11	593.82	514.20	560.30
Revenue from operations (₹ million)	1,680.34	5,301.69	5,333.24	6,129.38
Expenses towards contract labourer as a percentage of revenue from operations (%)	9.95%	11.20%	9.64%	9.14%
Expenses towards contract labourer as a percentage of total expenses (%)	10.72%	11.41%	9.78%	9.38%

Although we do not engage these laborers directly, it is possible under Indian law that we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, results of operations, financial condition and cash flows. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract laborers as our employees. Any such order from a court or any other regulatory authority, or increase in minimum wages or any other compensation as directed by any governmental authority may adversely affect our business, results of operations, financial condition and cash flows. While there has been no such instance during the three months ended June 30, 2025 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

33. Our revenues from the tractor end-use sector is subject to seasonality and a decrease in our sales during some quarters could have an adverse impact on our financial performance.

We manufacture high-precision, complex engineered transmission components that have applications across multiple sectors, including tractors. Demand in the tractor sector is influenced by factors such as agricultural output, monsoon patterns, government subsidy disbursements, rural liquidity, availability of financing, and seasonal sowing and harvesting cycles. Any slowdown in the tractor sector, adverse changes in government regulations or subsidies could lead to reduced demand for tractors and, consequently, for our products. According to the 1Lattice 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. During the dry season, as agricultural activity is curtailed, we may continue to incur operating expenses, but our revenue from

the sale of our products may be delayed or reduced. The demand for our exported products also depends on the cyclicity and seasonality of agricultural tractors in each country. Our concentration in this sector limits our ability to offset such risks through diversification, and any prolonged downturn could adversely affect our business, financial condition, and results of operations.

34. *We may face challenges in further expanding our operations in cities or countries that we strategically intend to commence operations, which could have an adverse effect on our business prospects and future financial performance.*

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, governmental agencies, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

We may face risks with respect to commencement of operations in new metros and cities in which we have no prior operating experience and may not possess the same level of familiarity with local socio-economic conditions, culture and customer expectations. Factors such as labor availability and supply chain can result in delays. As a result, understanding the demands of and marketing to these new communities require additional attention from our management and costs, and we cannot assure you that we will perform well in these cities in the future. Some additional risks associated with establishing and conducting operations in new geographical regions, particularly internationally, include compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation; foreign ownership constraints and uncertainties with new local business partners; local preferences and service requirements; fluctuations in foreign currency exchange rates; inability to effectively enforce contractual or legal rights; differing accounting standards and interpretations; stringent as well as differing labor and other regulations; differing domestic and foreign customs, tariffs and taxes; exposure to expropriation or other government actions; political, economic and social instability or any other risks associated with establishing operations in such country.

We may also face the difficulty in obtaining necessary permissions to operate our business from the respective regulatory authorities. We may also experience poor reception or lack of demand for our products in these new markets. In addition, our competitors may already have established operations in such cities and regions and have stronger brand recall than us in these markets, and we may find it difficult to attract customers referral arrangements in such new cities and regions. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

35. *Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.*

Environmental laws and regulations in India impose stringent environmental protection standards on us regarding, among other things, the use and handling of waste or materials and waste disposal practices. For example, the laws in India limit the amount of hazardous and pollutant discharge that our manufacturing plants may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016, in order to establish and operate our manufacturing plants in India and are subject to inspections from the relevant authorities in order to maintain such approvals. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with past activities. For further information, see “Key Regulations and Policies” on page 269. Our manufacturing facilities and operations must comply with these permits, licenses or authorisations and are subject to regular administrative inspections. While we have not had any instances of non-compliances in relation to environmental laws in the three months ended June 30, 2025 and in the last three Fiscals, there can be no assurance we will continue to be compliant in future. Additionally, we cannot predict the initiation or outcome of any such inspections by relevant authorities. Any penalty imposed as a result of such inspections may generate adverse publicity for our business. The improper disposal or improper recycling of manufacturing discharge, gas/liquid leaks may result in the release of hazardous waste material into

the environment, posing risks of toxic exposure to humans and potential contamination of natural habitats. Adverse publicity regarding our environmental cost, or any future scrutiny, investigation, inspection or audit of our manufacturing operations and processes could result in fines, public reprimands, and damage to our reputation, significant time and attention from our management, costs for inspections and remediation of affected customers, which may adversely affect our business, results of operations, financial condition and cash flows.

36. *Our delivery schedules and ability to supply products to our customers may be adversely impacted due to disruptions in transportation services on account of events such as natural disasters, pandemics, civil unrest and mass protests.*

We use various modes of transportation such as road, air, rail and sea, both domestically and internationally, and relies on third-party logistic service providers to support transportation requirements. Any disruptions in transportation services due to natural disasters, pandemics, mass protests or strikes by transportation service providers, civil unrests, or similar events could impact the delivery schedules and supply chain, which could adversely affect our business, results of operations, financial condition, and cash flows. In addition, disruptions in transportation services could also have an adverse impact on our reputation since customers may experience delay.

For example, in our experience, the State of Himachal Pradesh has, from time to time, experienced labor-related interruptions, such as short-term strikes or work-stoppages by truck-operator unions or transport workers that temporarily restricted the movement of goods within and through the state; while these incidents were generally resolved through negotiation within days, we cannot assure you that such instances will not arise in the future. While we have not had any instances of disruption in our delivery schedules in the three months ended June 30, 2025 and in the last three Fiscals which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that any future temporary suspension of transportation services, whether arising from local or nationwide protests concerning freight charges or otherwise, will not affect us.

37. *We may undertake acquisitions in future, which may be difficult to integrate and manage. If we fail to integrate or manage acquired companies or businesses efficiently, or if the acquired companies or businesses are difficult to integrate, divert management resources or do not perform to our expectations, we may not be able to realise the benefits envisioned for such acquisitions, and our overall profitability and growth plans could be adversely affected.*

In future, we may acquire businesses and integrate the operations of such acquired businesses for the purpose of realising anticipated benefits of acquisitions, including anticipated cost savings and additional revenue opportunities. These integration activities are complex and time-consuming, and we may encounter unexpected difficulties or incur unexpected costs, including:

- our inability to achieve the operating synergies anticipated in the acquisitions;
- possible cash flow interruption or loss of revenue as a result of transitional matters;
- generating sufficient revenues and net income to offset acquisition costs;
- diversion of management attention from on-going business concerns to integration matters;
- failing to realise the potential cost savings or other financial benefits and/or the strategic benefits of the acquisition; and
- integrating and documenting processes and controls.

While we have not undertaken any acquisitions in the three months ended June 30, 2025 and in the last three Fiscals and do not propose to do so immediately, we may undertake such acquisitions in future. If we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, and we may incur costs in excess of what we anticipate. The failure to successfully integrate the operations or otherwise to realise any of the anticipated benefits of the acquisition could seriously harm our business, results of operations, financial condition and cash flows.

38. *Our Directors are or were not directors of listed companies and hence lack of adequate experience to address complexities associated with listed companies, could have an adverse impact on our business and operations.*

Except for Aman Tandon, Managing Director of our Company, none of our other Directors are currently, or have been in the past directors on the board of any listed companies. For further details, see “Our Management – Board of Directors” on page 285. We cannot assure you if the lack of adequate experience of being on the board of listed companies will affect their ability to effectively address the specific complexities associated with being a listed

company, which may not have any adverse impact on our operations as a listed company.

39. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.*

As of June 30, 2025, our contingent liabilities that have not been accounted for in our financial statements, as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	As of June 30,2025 (₹ million)
Income tax litigation- not been acknowledged as claims	63.50
Goods and Service Tax litigation - not been acknowledged as claims	3.68
Total	67.18

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future and that our existing contingent liabilities will not have adverse effects on our business, results of operations, financial condition or cash flows. For further information on our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, see “Restated Financial Information - Note 32 – Contingent Liabilities and Commitments” on page 341.

40. *Our Statutory Auditors have included emphasis of matters and remarks in the audit reports issued on the audited Ind AS financial statements for Fiscals 2025 and audited special purpose Ind AS financial statements for the three months ended June 30, 2025 and Fiscals 2024 and 2023, which do not require any corrective adjustments in the Restated Financial Information. We cannot assure you that any similar emphasis of matter or remarks will not form part of our financial statements for the future fiscal periods, which could have an adverse effect on our reputation, the trading price of the Equity Shares, results of operations, cash flows and financial condition.*

Our Statutory Auditors have included an emphasis of matter in their audit report issued on the audited Ind AS financial statements for Fiscal 2025, drawing attention to the change in financial reporting framework from IGAAP to Ind AS. In addition, our Statutory Auditors have included emphasis of matters in their audit reports on the audited special purpose Ind AS financial statements for the three months ended June 30, 2024 and Fiscals 2024 and 2023, highlighting that these special purpose financial statements have been prepared solely for the purpose of restating financial information in accordance with the SEBI (ICDR) Regulations for the proposed initial public offering, and may not be suitable for any other purpose. These emphasis of matters do not require any adjustment to the Restated Financial Information.

Our Statutory Auditors have also included remarks in their audit reports for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 in accordance with the Companies (Auditor’s Report) Order, 2020. These remarks are in relation to delays in deposit of certain statutory dues (provident fund and employee state insurance) aggregating ₹ 4.62 million in Fiscal 2023 and unpaid dues of ₹ 0.06 million in Fiscal 2025 (i.e., provident fund of ₹ 0.04 million and labour welfare fund of ₹ 0.02 million). None of these remarks necessitate any adjustment to the Restated Financial Information. For further details, see, “Restated Financial Information – Non adjusting events” on page 363. We cannot assure you that any similar emphasis of matter, remarks or other matters prescribed under the Companies (Auditor’s Report) Order, 2020, will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

41. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.*

Our business is continually changing due to technological advances impacting the manufacturing processes and products related to transmission components technology. These changes result in the frequent introduction of new processes and products. If our technologies become obsolete or if we are not able to keep up with evolving technologies, our business, results of operations, financial condition and cash flows could be adversely affected. While we continue to undertake product development initiatives, including integration of new technologies into our products, we are subject to risks associated with developing products tailored to specific customer

requirements. Any rapid change in the expectations of our customers on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations, financial condition and cash flows. Further, although we strive to maintain and upgrade our operations through an integration of new technologies and machinery, the technologies and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions and all related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as necessary under the Companies Act, the SEBI Listing Regulations and other application laws. Any future related party transactions may potentially involve conflicts of interest, which may be detrimental to us and against the interest of prospective investors. In addition, we cannot assure you that relevant shareholders' approval will be received for all material related party transactions and, accordingly, certain transactions which may be favourable to us may not be executed.

The table below sets forth details of certain related party transactions in the periods/years indicated:

Particulars	As of June 30, 2025	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
	(₹ million, except percentages)			
Loans given to related parties (outstanding as of date)	Nil	Nil	Nil	Nil
Loans taken from related parties (outstanding as of date)	63.81	63.81	Nil	Nil
Trade Receivables from related parties	0.32	Nil	5.54	6.14
Trade Payables to related parties	1.59	1.62	2.53	2.63

For further information, see "Offer Document Summary – Summary of Related Party Transactions" and "Restated Financial Information – Notes 34 – Related Party Disclosures" on pages 31 and 341 respectively.

43. We have experienced delays in payment of certain statutory dues including employee state insurance corporation contributions, provident fund contributions and income tax payments in the past.

Our Company, in the regular course of its operations, is required to pay certain statutory dues including the employee state insurance contributions, employee provident fund contributions, income tax payments, tax deductions at source and professional taxes. Set forth below are the details of statutory dues paid during the three months ended June 30, 2025 and the last three Fiscals:

Statutory Dues	As of/ three months ended June 30, 2025	As of/ for the year ended March 31		
		2025	2024	2023
Employee state insurance contributions (₹ in million)	2.36	9.22	8.75	9.39
Employee provident fund contributions (₹ in million)	12.54	48.04	45.47	41.97
Income tax (₹ in million)	25.00	48.82	43.15	64.58
Labor welfare fund (₹ in million)	0.02	0.06	0.06	0.05
Tax deductions at source and Tax collected at source (₹ in million)	8.88	55.82	60.43	57.00
Professional tax (₹ in million)	0.01	0.02	0.02	0.01
GST (₹ in million)	80.11	133.36	126.48	212.58
Number of employees	1,417	1,372	1,336	1,388

While we have incurred expenses towards payment of the applicable statutory dues, we have, in the past, experienced delays in payments of certain statutory dues. Except as disclosed below, there have been no delays in payment of employee state insurance contributions, employee provident fund contributions, income tax and

professional tax. Set forth below are the instances of delays in payment of statutory dues during the three months ended June 30, 2025 and the last three Fiscal Years:

Particulars	June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Period of Delay	Amount (₹ million)	Period of Delay	Amount (₹ million)	Period of Delay	Amount (₹ million)	Period of Delay
Employee State Insurance Contributions	Nil	Nil	0.59	October 15, 2024 to October 16, 2024	Nil	Nil	3.77	April 2022 to August 2022
Employee provident fund contributions	Nil	Nil	Nil	Nil	0.05	July 2023 to August 2023	6.64	May 2022 to June 2022
Labour Welfare Fund	Nil	Nil	0.01	October 15, 2024 to September 12, 2025 and April 15, 2025 to September 2025	0.06	October 15, 2023 to March 30, 2024 and April 15, 2024 to April 30, 2024	0.01	October 15, 2022 to July 14, 2025 and April 15, 2023 to July 14, 2025
Professional Tax	Nil	Nil	0.02	May 2024 to March 2025	0.02	May 2023 to April 2024	0.01	May 2022 to November 2023
Tax deductions at source and Tax collected at source	Nil	Nil	2.29	April 07, 2025 to April 28, 2025	3.35	April 07, 2024 to April 24, 2024	Nil	Nil
GST	13.78	July 20, 2025 to July 21, 2025	Nil	Nil	Nil	Nil	12.94	May 20, 2022 to May 23, 2025

The reasons for delay in payment were on account of either technical issues, change-over in accounting software or due to the official site not working.

While our Company has undertaken corrective actions to avoid any such delays in payments in the future, we cannot assure you that no such delays will occur in the future, and it may have a material impact on our financials or results of operations.

44. Certain unsecured loans have been availed by us, which can be recalled by the lenders at any time.

As on the date of this Draft Red Herring Prospectus, our Company has availed unsecured loan of ₹ 113.81 million and ₹ 60.00 million from our Promoters, Aman Tandon and Ashok Kumar Tandon, respectively, that can be recalled at any time. While, as of the date of this Draft Red Herring Prospectus, neither the loan arrangement has been terminated, nor has repayment been demanded. However, there can be no assurance that the loan will not be recalled (in whole or in part) at any time. If the unsecured loan is recalled, we may be required to arrange alternative financing at short notice, which may not be available on commercially reasonable terms or at all. We may be compelled to divert internal accruals, curtail working capital, and any new borrowings could carry higher interest rates or more restrictive covenants. A recall or refinancing on adverse terms could materially and adversely affect our cash flows, results of operations and financial condition. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to acceleration of payments under such credit facilities, which may adversely affect our Company. For further information, see “Financial Indebtedness” on page 401.

45. Our Promoters, Ashok Kumar Tandon and Aman Tandon, have provided personal guarantees for loan facilities obtained by us, and any failure or default by us to repay such loans could trigger repayment

obligations on our Promoters, which may impact our Promoters' ability to effectively service his obligations as our Promoter and thereby, adversely impact our business, results of operations, financial conditions and cash flows.

Our Promoters, Ashok Kumar Tandon and Aman Tandon, have provided personal guarantees to secure a portion of our existing borrowings, and may be required to continue to provide such guarantees and other security after the listing of our Equity Shares. As on September 30, 2025, ₹ 3,600.90 million of our borrowings are backed by personal guarantees provided by our Promoters. For further details, please see “History and Certain Corporate Matters” on page 278. Any default or failure by us to repay our loans in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters in respect of such loans. This, in turn, could have an impact on their ability to effectively perform their responsibilities and obligations as the Promoters of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Further, in the event that our Promoter withdraws or terminates the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business, results of operations, financial conditions and cash flows.

46. Default by a member of our Promoter Group and restriction on disposal of assets

A member of our Promoter Group, Geetika Saigal, has defaulted in the repayment of certain personal loan obligations availed by her from a financial institution. Pursuant to such default, the concerned financial institution has initiated recovery proceedings and obtained an order restraining the said individual from alienating, transferring, leasing, selling, creating any third-party interest, or otherwise dealing with the mortgaged property until further directions of the competent authority. The default and related proceedings pertain solely to the personal borrowings of the said individual and are not connected to our Company or its operations. However, as the individual forms part of the members of the Promoter Group, any continuing proceedings or adverse orders against her may have a potential reputational impact on our Company.

47. Our insurance coverage may not be adequate, or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our financial condition, cash flows and results in operations.

We have obtained a number of insurance policies in connection with our operations. We maintain insurance coverage under various policies to safeguard against potential risks associated with our operations. We maintain insurance policies covering fire and special perils (property), burglary, marine cargo, employees compensation, group health and group personal accident. For further information on the insurance policies availed by us, see “Our Business – Insurance” on page 267. The table below sets forth details relating to aggregate coverage of the insurance policies as a percentage of the total insurable assets in the periods/years indicated:

Particular	As of June 30, 2025		As of March 31, 2025		As of March 31, 2024		As of March 31, 2023	
	Amount (₹ million)	% of total Insurable Assets*	Amount (₹ million)	% of total Insurable Assets*	Amount (₹ million)	% of total Insurable Assets*	Amount (₹ million)	% of total Insurable Assets*
Coverage of insurance policies	11,419.50	283.44%	11,433.18	291.73%	5,695.95	176.93%	4,308.55	144.39%

*Net book value of property, plant and equipment (excluding right of use assets and freehold land), capital work-in-progress and investment property of our Company as at the end of the relevant period/Fiscal.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time, or that we have taken out sufficient insurance to cover all our losses. The table below sets forth details of the insurance amount claimed and insurance amount received for the periods/years indicated:

Particulars		Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
		(₹ million)			
Insurance claimed	amount	Nil	11.96	1.32	Nil
Insurance received	amount	Nil	4.61	0.70	Nil

We cannot assure that our insurance policies may provide adequate coverage in certain circumstances and are not subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost or at all. While in the three months ended June 30, 2025 and the last three Fiscal, we have not had instances where our insurance claims exceeded coverage or we were denied insurance, we cannot assure you that we will not experience any such instance in the future. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

48. *Any failure of our information technology systems could adversely affect our business, results of operations, financial condition and cash flows.*

We have information technology systems that support our business processes, including product development, production, sales and purchase, finance, inventory, and human resource management. We have made, and will continue to make, investments in information technology systems and tools. Such expenditure may adversely affect our operating results if they are not offset by corresponding increase in our operational efficiency. An external information security breach, such as a hacker attack, fraud, a virus or worm malicious software, break-ins, phishing attacks, security breaches, or an internal problem with information protection, such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information unauthorized access to our systems, misappropriation of information or data, deletion or modification of users information, or a denial of service or other interruption to our business operations.

The Government of India has also enacted the Digital Personal Data Protection Act, 2023 and the Digital Personal Data Protection Rules, 2025 (“**Data Protection Act**”), along with the on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The Data Protection Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the Data Protection Act. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

While there has been no instance during the three months ended June 30, 2025 and in the last three Fiscals where we experienced technology failure which had an adverse impact on the business operations of our Company, we cannot assure you that such instance will not arise in the future. If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors and processing inefficiencies. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, disruptions. Our IT systems may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues.

49. *Information relating to our annual installed capacity, annual available capacity and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.*

The information relating to the annual installed capacity, annual available capacity and capacity utilisation of our products included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer, Deepankar Sharma, in the calculation of our capacity. These assumptions and estimates include standard capacity calculation practice in the transmission components industry and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring the annual installed capacity and annual available capacity include 300 working days in a year, at 3 shifts per day operating for 8 hours each.

Actual production levels and capacity utilization rates may therefore vary significantly from the annual installed and annual available installed capacity of our products. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Draft

Red Herring Prospectus. For information regarding capacity of our manufacturing facilities, see “*Our Business – Installed Capacity, Actual Production and Capacity Utilisation*” on page 260.

50. *If we fail to ensure the confidentiality of our technical knowledge and process know-how, we may suffer a loss of our competitive advantage.*

We possess extensive technical knowledge of our products and such technical knowledge has been developed through our own experience. This technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights, such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and we cannot assure you that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. The potential ill-effects from such disclosure are increased as our products are not patented, and thus, we may have no recourse against copies of our products that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the sector in which we operate could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. While we have not had such instances during the three months ended June 30, 2025 and in the last three Fiscals, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and cash flows.

51. *Our Promoters may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.*

Our Promoters who are also part of our Board of Directors, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their respective shareholding in our Company, payment of dividend or distributions thereon. For the payments that are made by our Company to related parties including remuneration to our Directors and our Key Managerial Personnel, see “*Summary of the Offer Document– Summary of Related Party Transactions*” on page 31 and “*Our Promoter and Promoter Group – Interests of our Promoters*” on page 305. We cannot assure you that our Promoters will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoters, may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

52. *Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Offer and their interests may differ from those of the other shareholders.*

As on the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group collectively held 91.66% of the paid-up equity share capital of our Company on a fully diluted basis. For further information on their shareholding pre and post-Offer, see “*Capital Structure*” on page 100. After the completion of the Offer, our Promoters along with the members of Promoter Group will continue to collectively hold significant shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders’ approval. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in the Company, see “*Our Promoters and Promoter Group*” and “*Our Management*” on pages 305 and 285, respectively.

53. *Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

We have availed the services of an independent third-party research agency, Lattice Technologies Private Limited, appointed by our Company pursuant to an engagement letter dated July 7, 2025, to prepare an industry report

titled “Gears and Precision Components Industry Report” dated November 2025, for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate. Our Company, our Promoters, and our Directors are not related to Lattice Technologies Private Limited. This 1Lattice Report has been commissioned by our Company exclusively in connection with the Offer for a fee. This 1Lattice Report is subject to various limitations and based upon certain assumptions that are subjective in nature and our Promoters, Promoter Group members or entities, Key Managerial Personnel or Directors and their relatives have no conflict of interest with 1Lattice. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

54. *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

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 years 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, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

55. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*

We propose to utilize the Net Proceeds towards a) repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company; b) financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh and c) towards general corporate purposes. For further information on the proposed objects of the Offer, see “Objects of the Offer” beginning on page 116. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of the Shareholders through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the Shareholders in a timely manner, or at all. Any delay or inability in obtaining such approval of the Shareholders may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Offer, at a price and manner as prescribed by SEBI. Our funding requirements may be subject to change based on various factors such as the timing of completion of the Offer, market conditions outside the control of our Company, and any other business and commercial considerations. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law. Our funding requirements are based on current management estimates, current

circumstances of our business plan and the prevailing market conditions, which may be subject to change, and the Project Report. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that our Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business, results of operations, financial condition and cash flows.

56. *Our Company will not receive any proceeds from the Offer for Sale and the proceeds from the Offer for Sale will be paid to the Selling Shareholders.*

The Offer comprises an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer. For further information, see “*The Offer*” and “*Objects of the Offer*” on pages 85 and 116, respectively.

57. *The average cost of acquisition of Equity Shares for our Selling Shareholders may be lower than the Offer Price.*

The average cost of acquisition of Equity Shares for our Selling Shareholders may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Selling Shareholders as at the date of the Draft Red Herring Prospectus is set out below.

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Ashok Kumar Tandon	52,497,000	0.01
Aman Tandon	14,993,400	0.02
Amit Tandon	7,493,100	0.02
Gagandeep Kaur Chawla	7,503,000	Negligible
Aradhna Tandon	7,507,500	0.01

*As certified by Bansal & Co LLP., Chartered Accountants by way of their certificate dated November 18, 2025.

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoter Selling Shareholder and build-up of Equity Shares by our Selling Shareholders in our Company, see “*Summary of the Offer Document – Average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders*” on page 34.

58. *If we are unable to establish and maintain an effective internal controls measures and compliance system, our business and reputation could be adversely affected.*

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of our operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. While there have been no instances of failure to maintain effective internal controls and compliance system during the three months ended June 30, 2025 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We take reasonable steps such as periodically testing and updating our internal processes and systems to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we

produce reliable financial reports and prevent financial fraud. Our Company also undergoes multiple customer audits annually confirming the adequacy of our operational and quality systems, through a heat treatment assessment or supplier audits. These audits cover various aspects including process control, quality assurance, equipment condition, and compliance with customer-specific standards. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may be adversely affected. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and may impact the price of our Equity Shares in the future.

59. *We are exposed to operational risks, including cyber attacks, cyber frauds, fraud, theft and embezzlement, which may adversely affect our reputation, business, results of operations, financial condition and cash flows.*

Our business is subject to incidents of employee fraud, theft or embezzlement. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares. Further, our operations may be subject to incidents of theft or damage to inventory in transit. We may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. For instance, our Company filed an FIR dated May 30, 2024 with the Police Station Barotiwala, Baddi, District Solan, Himachal Pradesh against Vishal Gupta (“**Accused**”), director of Srishti Agencies Private Limited (“**Srishti Agencies**”) alleging that the Accused submitted fake documents and forged entries in the ledger books of Srishti Agencies, thereby dishonestly inducing our Company to transfer funds amounting to ₹8.70 million. For further information, see “*Outstanding Litigation and Other Material Developments*” on page 404. We are vulnerable to cyberattacks and cyber fraud, which could disrupt our operations and have a material adverse impact on our financial position, including our cash flows. Such incidents may compromise sensitive data, interrupt critical systems, and result in reputational damage or regulatory penalties. While there has been no instance of cyber attacks, cyber fraud or fraud, theft or employee negligence which we have experienced during the three months ended June 30, 2025 and in the last three Fiscals which had an adverse effect on our business operations, we cannot assure you that such instances will not arise in future.

60. *Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.*

Any dividends to be declared and paid in the future are required to be recommended by our Company’s Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company’s ability to pay dividends in the future will depend upon our future results of operations, financial condition, profit after tax available for distribution, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company’s shareholders in future consistent with our past practices, or at all. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We have not declared any dividends on the Equity Shares in the last three Fiscals and from April 1, 2025, until the date of this Draft Red Herring Prospectus. For information pertaining to dividend policy, see “*Dividend Policy*” on page 308.

External Risk Factors

61. *The determination of the Price Band is based on various factors and assumptions and the Offer Price, price to earnings ratio and market capitalization to revenue multiple based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.*

Our revenue from operations for June 30, 2025 and Fiscal 2025 was ₹ 1,680.34 million and ₹ 5,301.69 million, respectively, and restated profit for the year for June 30, 2025 and Fiscal 2025 was ₹ 93.61 million and ₹ 220.64

million, respectively. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations at the upper end of the Price Band:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue
Fiscal 2025	[●]*	[●]*

*To be populated at Prospectus stage.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section “*Basis for the Offer Price*” on page 137 and the Offer Price, multiples and ratios may not be indicative of the market price of our Company on listing or thereafter. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

62. *Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.*

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition and cash flows may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labor. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that hazardous into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For instance, the GoI has recently introduced the Code on Social Security, 2020 (“**Social Security Code**”); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations (collectively, the “**Labour Codes**”). Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remainder of these codes shall come into force on the day that the Government shall notify for this purpose. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, the Social Security Code provides that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code. Additionally, the Code on Wages, 2019, prescribes that if payments made by an employer towards certain employment benefits (including gratuity and house rent allowance) exceed half (or such other percentage as may be notified by the Central Government) of the total remuneration, the excess amount shall be deemed remuneration and accordingly be added to wages. The enforcement of these laws could lead to higher employee and labor costs, which in turn could have a detrimental effect on our results of operations, financial condition and cash flows.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing

law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. Further, pursuant to the Finance (No.2) Act of 2024 and Finance Act, 2025, notified on August 16, 2024 and March 29, 2025, respectively, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employer's contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. There is no certainty on the impact of the full union budget on tax laws or other regulations, on our business, results of operations, financial condition and cash flows, or on the industry in which we operate.

63. *The occurrence of natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could adversely affect our business, results of operations, financial condition and cash flows.*

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events such as political instability, including strikes, demonstrations, protests, marches or other types of civil disorder, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, results of operations, financial condition and cash flows. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

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 depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing, if any. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

65. *We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”) was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position. We have not experienced any instances wherein we were subject to any penalty or received any notice from the CCI in the last three Fiscals, we cannot assure you such instances will not arise in the future.

66. *Financial and political instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between India and Pakistan, Russia and Ukraine and, Iran, Israel and Palestine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Further, any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions 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. 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. 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.

More recently, in early 2025, the United States of America imposed tariffs across a range of countries and products. In addition, President of the United States of America has directed various federal agencies to further evaluate key aspects of U.S. trade policy, and there has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies and treaties. The timing, amount and impact of such measures (including any retaliatory measures) cannot be predicted but could result in lower economic growth. Market reactions to the uncertainty of such measures could further depress economic activity until more clarity about trade conditions and tariffs is achieved. Such adverse economic or financial conditions could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States of America and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. Further, the imposition of tariffs by the US government under its “*Fair and Reciprocal Plan*” may impact Indian businesses, especially those with a substantial export presence in the US market. This policy has resulted in the imposition of tariffs across a diverse range of sectors, including steel, aluminium, pharmaceuticals, textiles, and electronics. As a results, Indian exporters may encounter heightened costs and uncertainties, potentially constraining their market competitiveness and profitability. These developments, or the perception that any of them could occur, have had and may continue to have an adverse

effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

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

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax (“GST”), and provisions relating to general anti-avoidance rules (“GAAR”). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. Further, on September 3, 2025, the 56th GST Council approved a significant rate rationalisation package consolidating existing slabs into 5% and 18% (with 40% for luxury/sin goods) and reducing GST on individual health and life insurance premiums from 18% to 0%, effective September 22, 2025. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“DDT”), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 (“IT Act”) to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

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

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

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

Our Restated Financial Information are derived from the audited Ind AS financial statements as at and for the three months ended June 30, 2025, and the years ended March 31, 2025, March 31, 2024 and March 31, 2023, and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, customers concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

71. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Offer. Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including,

among others:

- the failure of security analysts to cover the Equity Shares after the Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- investor perceptions of our future performance, adverse media reports about us or our sector;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment. General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of our Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which the equity shares are sold. Any capital gain realized on the sale of listed equity shares on a recognised stock exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the recognised stock exchanges, the quantum of gains, and any available treaty relief.

The Government of India announced the union budget for Financial Year 2025-2026, following which the Finance Bill, 2025 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2025. Subsequently, the Finance Bill received the assent from the President of India and became the Finance Act, 2025, with effect from April 1, 2025 as amended by the Finance (No. 2) Act, ("**Finance Act**"). As per the Finance Act, in case of domestic company, the rate of income-tax shall be 25% of the total income, if the total turnover or gross receipts of the previous year 2023-24 does not exceed ₹ 400 crores and where the companies continue in Section 115BA regime. In all other cases the rate of income-tax shall be 30% of the total income. However, domestic companies also have an option to opt for taxation under section 115BAA of the Act on fulfilment of conditions contained therein. The rate of income-tax rate is 22% under section 115BAA, having a surcharge at 10% on such tax. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares.

For tax deduction on securities, the Finance Act increases the limit in relation to the amount or the aggregate of amounts of income by way of interest on securities from ₹ 5,000 to ₹ 10,000. With regard to the requirement of no tax being liable to be deducted on dividend, the Finance Act has increased limit on amount of dividend earned from ₹ 5,000 to ₹ 10,000.

The Income Tax Act, 1961 ("**IT Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of 25.17% (inclusive of applicable surcharge and health and education cess), as compared to an effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has

opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Additionally, the Union Cabinet, Government of India has recently approved the Income Tax Bill, 2025 which inter alia, proposes to amend the income tax regime and replace the Income Tax Act, 1961. There is no certainty on the impact of the Income Tax Bill, 2025, once enacted, on tax laws or other regulations, which may adversely affect our business, results of operations, financial condition and cash flows.

Under the Finance Act 2020, any dividends paid by a domestic company will be subject to tax in the hands of the shareholders at applicable rates and such domestic company is required to withhold tax on such dividends distributed at the applicable rate. Further, Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. 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 dividends. Any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, results of operations, financial condition and cash flows. Unfavorable changes in or interpretations of existing laws, rules and regulations, 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.

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

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

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

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

75. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract

foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country sharing a land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "Restrictions on Foreign Ownership of Indian Securities" on page 464.

76. 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 the submission of their Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional 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 the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, financial condition and cash flows may arise between the date of submission of the Bid and Allotment.

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 the 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, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of

operations, financial condition and cash flows may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced. In addition, Investors may suffer continued risk of dilution if shareholders pass special resolutions for preferential issues or take any other similar actions.

78. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results.

Upon listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

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

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

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

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

SECTION IV – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares^{(1)(2)^}	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹11,000.00 million
<i>of which:</i>	
(i) Fresh Issue ^{(1)^}	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹8,000.00 million
(ii) Offer for Sale ⁽²⁾	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹3,000.00 million
The Offer comprises:	
A) QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares of face value of ₹2 each
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares of face value of ₹2 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹2 each
<i>of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹2 each
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹2 each
B) Non-Institutional Portion ^{(5)(6) (7)}	Not less than [●] Equity Shares of face value of ₹2 each
<i>of which:</i>	
(i) One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹0.20 million to ₹1.00 million	Up to [●] Equity Shares of face value of ₹2 each
(ii) Two-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹1.00 million	Up to [●] Equity Shares of face value of ₹2 each
C) Retail Portion ⁽⁷⁾⁽⁵⁾	Not less than [●] Equity Shares of face value of ₹2 each
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	90,000,000 Equity Shares of face value of ₹2 each
Equity Shares outstanding after the Offer*	[●] Equity Shares of face value of ₹2 each
Use of Net Proceeds	See “Objects of the Offer” on page 116 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

* To be updated upon finalization of the Offer Price.

^ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Notes:

- (1) The Offer has been authorized by a resolution of our Board dated November 18, 2025 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated November 18, 2025. The Offer shall be made in accordance with Rule 19(2)(b) of the SCRR. Our Board has taken on record the participation of each of the Selling Shareholders in the Offer for Sale pursuant to a resolution dated November 18, 2025.
- (2) Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures – Authorisation by the Selling Shareholders” on page 416.
- (3) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary

basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. Forty-percent of the Anchor Investor Portion shall be reserved for (i) 33.33 per cent for domestic Mutual Funds; and (ii) 6.67 per cent for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the 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 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 QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 443.

- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company, in consultation with the BRLMs, Registrar to the Offer and the Designated Stock Exchange. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards Equity Shares offered by the Selling Shareholders in proportion to the Offered Shares being offered by the Selling Shareholders and only then, towards the balance Fresh Issue.
- (5) Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 443.
- (6) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The Allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.
- (7) 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 of Bidders at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, subject to applicable laws. For further details, see “Offer Structure” on page 439.

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 439 and 443 respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 432.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Information. The summary financial information presented below should be read in conjunction with “Restated Financial Information”, including the notes and annexures thereto, on page 309 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 367.

Summary derived from our Restated Financial Information

Restated statement of assets and liabilities

(₹ in million, unless otherwise specified)

Particulars	As at			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Non-current assets				
Property, plant and equipment	1,503.16	1,576.91	1,402.27	1,408.59
Right-of-use assets	364.64	339.91	214.24	210.72
Capital work-in-progress	417.33	325.02	487.14	225.69
Intangible assets	102.95	62.34	3.33	3.53
Intangible assets under development	282.54	285.70	-	-
Financial assets				
i. Investments	36.70	36.70	32.61	30.58
ii. Other financial assets	123.82	114.93	91.71	54.00
Deferred tax assets (net)	86.71	81.13	74.65	69.98
Non current tax assets (net)	7.27	7.27	9.38	7.23
Other non-current assets	47.28	101.99	118.16	178.63
Total non-current assets	2,972.40	2,931.90	2,433.49	2,188.95
Current assets				
Inventories	1,722.87	1,669.12	1,326.71	1,346.10
Financial assets				
i. Trade receivables	1,710.08	1,436.24	1,378.04	1,618.41
ii. Cash and cash equivalents	0.39	0.39	0.26	8.19
iii Other financial assets	0.14	0.07	-	0.18
Other current assets	112.49	138.99	77.57	216.23
Total current assets	3,545.97	3,244.81	2,782.58	3,189.11
Total assets	6,518.37	6,176.71	5,216.07	5,378.06
EQUITY AND LIABILITIES				
Equity				
i. Equity share capital	30.00	30.00	30.00	30.00
ii. Other equity	1,325.68	1,232.64	1,010.98	937.44
Total equity	1,355.68	1,262.64	1,040.98	967.44
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	771.75	854.31	1,027.02	1,291.99
(ii) Lease liabilities	268.73	257.46	156.65	163.66
Provisions	20.06	17.18	10.47	17.34
Total non-current liabilities	1,060.54	1,128.95	1,194.14	1,472.99
Current liabilities				
Financial liabilities				
(i) Borrowings	3,054.06	2,873.26	2,125.43	1,876.44
(ii) Lease liabilities	111.68	98.14	58.05	46.27
(iii) Trade payables				

Particulars	As at			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	23.19	22.47	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	814.30	734.96	732.99	954.22
(iv) Other financial liabilities	47.51	32.61	37.32	32.90
Other current liabilities	30.10	15.57	23.05	17.92
Provisions	6.02	4.30	4.11	4.07
Current tax liabilities (net)	15.29	3.81	-	5.81
Total current liabilities	4,102.15	3,785.12	2,980.95	2,937.63
Total liabilities	5,162.69	4,914.07	4,175.09	4,410.62
Total equity and liabilities	6,518.37	6,176.71	5,216.07	5,378.06

Restated statement of profit and loss

(₹ in million, unless otherwise specified)

Particulars	For the year / period ended			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Income				
Revenue from operations	1,680.34	5,301.69	5,333.24	6,129.38
Other income	4.90	167.20	26.69	27.04
Total income	1,685.24	5,468.89	5,359.93	6,156.42
Expenses				
a) Cost of raw materials and components consumed	749.40	2,505.61	2,428.65	3,199.75
b) Changes in inventories of finished goods, work-in-progress and scrap	(33.76)	(326.19)	139.23	(380.82)
c) Employee benefits expense	142.05	528.59	567.29	551.03
d) Finance costs	81.56	292.13	268.63	228.26
e) Depreciation and amortization expense	110.09	405.44	333.44	354.84
f) Other expenses	509.88	1,797.83	1,519.14	2,018.15
Expenses	1,559.22	5,203.41	5,256.38	5,971.21
Restated Profit before tax	126.02	265.48	103.55	185.21
Tax expense:				
(i) Current tax	37.80	51.67	43.15	64.65
(ii) Tax for earlier year	-	-	-	(0.26)
(iii) Deferred tax	(5.39)	(6.83)	(6.80)	(19.83)
Total tax expense	32.41	44.84	36.35	44.56
Restated Profit for the period/year	93.61	220.64	67.20	140.65
Restated Other comprehensive income/(loss)				
Item that will not to be reclassified subsequently to restated profit or loss				
-Re-measurement gain/(loss) of defined benefit plans	(0.76)	(2.72)	6.44	2.99
-Income tax relating to above items	0.19	0.68	(1.62)	(1.03)
Net other comprehensive income/(loss), not to be reclassified subsequently to restated profit or loss	(0.57)	(2.04)	4.82	1.96
Items that will be reclassified subsequently to restated profit or loss				
-Net (loss)/gain on investment through Other Comprehensive Income	0.00	4.09	2.03	(2.48)
-Income tax relating to above items	(0.00)	(1.03)	(0.51)	0.85

Particulars	For the year / period ended			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Net other comprehensive income to be reclassified subsequently to restated profit or loss	-	3.06	1.52	(1.63)
Restated other comprehensive income, net of tax	(0.57)	1.02	6.34	0.33
Restated Total comprehensive income for the period/year	93.04	221.66	73.54	140.98
Restated Earning per equity share (EPS) of par value INR 2 each				
Basic (INR)	1.04	2.45	0.75	1.56
Diluted (INR)	1.04	2.45	0.75	1.56

Restated statement of cash flows

(₹ in million, unless otherwise specified)

Particulars	For the year / period ended			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
A. Cash flow from operating activities				
Restated Profit before tax	126.02	265.48	103.55	185.21
Adjustments for:				
Finance costs	81.27	291.07	266.34	224.91
Unrealized foreign exchange (gain)/loss	(2.21)	0.02	(7.83)	9.45
Interest income on fixed bank deposits	(1.08)	(2.24)	(2.96)	(1.01)
Loss/(gain) on disposal of property, plant and equipment and capital work-in-progress	0.01	(134.59)	(3.22)	(0.49)
Interest income on security deposits	(0.35)	(5.16)	(3.15)	(1.92)
Balance written off	-	-	0.31	1.24
Bad debts written off	9.25	-	13.51	45.84
Liabilities written back	(0.88)	(0.04)	-	(3.32)
Reversal of loss allowance for bad and doubtful debts	(0.44)	(7.64)	-	-
Loss allowance for bad and doubtful debts	-	-	5.80	19.99
Loss allowance for doubtful advances	-	8.89	-	-
Depreciation and amortization expenses	110.09	405.44	333.44	354.84
Operating cash flows before working capital changes	321.68	821.23	705.79	834.74
Working capital adjustments:				
(Increase)/Decrease in inventories	(53.75)	(342.41)	19.39	(367.85)
(Increase)/Decrease in trade receivables	(280.44)	(50.56)	220.75	(477.90)
(Increase)/Decrease in other assets	26.50	(69.40)	137.75	(216.23)
(Increase)/Decrease in other financial assets	(9.23)	(12.90)	(30.84)	252.08
Increase/(Decrease) in trade payables	80.96	24.46	(211.46)	374.17
Increase/(Decrease) in other current liabilities	14.53	(7.48)	5.13	(59.28)
Increase/(Decrease) in other financial liabilities	8.69	(0.58)	4.81	15.22
Increase/(Decrease) in provisions	3.84	4.18	(0.40)	(3.24)
Cash generated from operations	112.78	366.54	850.92	351.71
Income taxes paid (net)	(26.32)	(45.75)	(51.11)	(65.81)
Net cash flow from operating activities (A)	86.46	320.79	799.81	285.90
B. Cash flow from investing activities				
Payment for purchase of property, plant & equipment including capital work-in-progress (excluding borrowing cost)	(32.25)	(390.11)	(444.97)	(696.68)
Payment for purchase of intangible assets including intangible assets under development	(43.22)	(355.30)	(1.40)	(2.88)
Proceeds from sale of property, plant and equipment and capital work-in-progress	0.24	233.40	5.54	1.16
Investment in fixed bank deposits	-	-	(10.00)	-
Interest received	-	2.30	2.85	1.01

Particulars	For the year / period ended			
	June 30, 2025	March 31, 2025	March 31, 2024	March 31, 2023
Net cash used in investing activities (B)	(75.23)	(509.71)	(447.98)	(697.39)
C. Cash flow from financing activities				
Proceeds from borrowings	238.64	1,145.07	447.47	1,171.98
Repayment of borrowings	(140.47)	(570.23)	(463.82)	(515.85)
Repayment of lease liability	(26.96)	(80.36)	(52.03)	(32.65)
Interest paid on lease liability	(8.54)	(26.65)	(20.01)	(14.92)
Interest paid	(73.90)	(278.78)	(271.37)	(194.58)
Net cash (used in)/from financing activities (C)	(11.23)	189.05	(359.76)	413.98
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	-	0.13	(7.93)	2.49
Cash and cash equivalents at the beginning of the period/year	0.39	0.26	8.19	5.70
Cash and cash equivalents at the end of the period/year	0.39	0.39	0.26	8.19

GENERAL INFORMATION

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Offices are as follows:

Registered Office of our Company:

Milestone Gears Limited

58, Sector 1, Industrial Area,
Parwanoo, District Solan – 173 220,
Himachal Pradesh, India

Telephone: +91 1733 218212

Website: www.milestonegroup.co.in

For details of the changes in our registered office, see “*History and Certain Corporate Matters – Change in registered office of our Company*” on page 278.

Corporate Office of our Company

KK-11,12 & 13, HSIIDC
Industrial Estate, Kalka – 133 302,
Haryana, India

Telephone: +91 1733 218212

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	005831
Corporate Identity Number	U74110HP1984PLC005831

The Registrar of Companies

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

Registrar of Companies, Himachal Pradesh

1st Floor, Corporate Bhawan,
Plot No.4-B, Sector 27-B,
Chandigarh 160 019
Chandigarh, India

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Ashok Kumar Tandon	Chairman-cum-Executive Director	00968232	House No. 75, Sector 7, Panchkula, Sector 8 - 134 109, Haryana, India
Aman Tandon	Managing Director	02159395	House No. 75, Sector 7, Panchkula Sector 8 - 134 109, Haryana, India
Biresh Kumar Thakur	Executive Director and Chief Executive Officer	06938954	1012, Sector 27, Panchkula – 134 112, Haryana, India
Neha	Independent Director	08109734	H no – 04, Nehra Farm House, Kansal Enclave Road, Khuda Ali Sher, Chandigarh – 160011
Vivek Prakash	Independent Director	00257784	Apartment No 5A, Belgravia Tower C, 5th Floor, Central Park 2 Resorts, Sector 48, South City – II, Gurgaon – 122018, Haryana
Yudhisthir Lal Madan	Independent Director	05123237	Flat No 1101, Tower 10, Vipul Belmonte, Sector 53, Nathupur (67), Gurgaon – 122002, Haryana, India

For further details of our Board of Directors, see “*Our Management – Board of Directors*” on page 285.

Company Secretary and Compliance Officer

Mohinder Singh is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Mohinder Singh

58, Sector 1, Industrial Area,
Parwanoo, District Solan – 173 220,
Himachal Pradesh, India

Telephone: +91 1733 218212

Email: investor.relations@milestonegroup.co.in

Registrar to the Offer

KFin Technologies Limited

Selenium, Tower-B
Plot No. - 31 and 32, Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India

Telephone: + 91 40 6716 2222 / 1800 3094001

Email: milestone.ipo@kfintech.com

Investor grievance email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No: INR000000221

Book Running Lead Managers

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400 025
Maharashtra, India

Telephone: + 91 22 6630 3030

Email: Milestonegears.ipo@jmfl.com

Investor grievance

email: grievance.ibd@jmfl.com

Website: www.jmfl.com

Contact Person: Prachee Dhuri

SEBI Registration No: INM000010361

Axis Capital Limited

1st Floor, Axis House
C - 2 Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Maharashtra, India

Telephone: + 91 22 4325 2183

Email: Milestonegears.ipo@axiscap.in

Investor grievance email: complaints@axiscap.in

Website: www.axiscapital.co.in

Contact Person: Ankit Bhatia/Krish Jain

SEBI Registration No: INM000012029

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi,
Mumbai- 400 025, Maharashtra, India

Telephone: + 91 22 7193 4380

Email: mgl.ipo@motilaloswal.com

Investor grievance email: moiapredressal@motilaloswal.com

Website: www.motilaloswalgroup.com

Contact Person: Sukant Goel/Vaibhav shah

SEBI Registration No: INM000011005

Investor Grievances

Bidders may 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 grievances, 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, investors may also write to the BRLMs.

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) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than the UPI Bidders) in which the amount equivalent to the Bid Amount was blocked or the UPI ID, in case of UPI Bidders.

Further, the Bidder shall also enclose the copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediary(ies) in addition to the 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 BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Syndicate Members

[•]

Inter-se allocation of responsibilities of the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	All BRLMs	JM Financial
2.	Drafting and approval of all statutory advertisements	All BRLMs	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including audio-visual presentations, corporate advertising and brochures and filing of media compliance report with SEBI.	All BRLMs	MO
4.	Appointment of Registrar to the Offer, advertising agency, Printer including co-ordination for their agreements	All BRLMs	JM Financial
5.	Appointment of all other intermediaries including Bankers to the Offer, Share Escrow Agent, Monitoring Agency (including coordination of all agreements)	All BRLMs	Axis
6.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for	All BRLMs	MO

S. No.	Activity	Responsibility	Co-ordinator
	one-to-one meetings - Finalizing international road show and investor meeting schedules - Preparation of road show marketing presentation and frequently asked questions		
7.	Domestic institutional marketing of the Offer, which will cover, inter alia: - Finalizing the list and division of domestic investors for one-to-one meetings - Finalizing domestic road show and investor meeting schedules	All BRLMs	JM Financial
8.	Conduct non-institutional marketing of the Offer	All BRLMs	MO
9.	Conduct retail marketing of the Offer, which will cover, inter-alia: - Finalizing media, marketing, public relations strategy and publicity budget - Finalizing collection centres - Finalizing commission structure - Finalizing centres for holding conferences for brokers etc. - Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All BRLMs	Axis
10.	Coordination with Stock Exchanges for book building software and bidding terminals and mock trading. Managing anchor book related activities including allocation to Anchor Investors, coordination with Stock Exchanges for anchor intimation, Anchor CAN, submission of letters regulators post completion of anchor allocation	All BRLMs	MO
11.	Managing the book and finalization of pricing in compliance with Company in accordance with SEBI ICDR regulations	All BRLMs	MO
12.	Post-Offer activities – Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including 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, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government. Submission of all post Offer reports including the final post Offer report to SEBI.	All BRLMs	Axis

Legal Counsel to our Company as to Indian Law

Khaitan & Co

Max Towers
 7th & 8th Floors
 Sector 16B Noida
 Gautam Buddh Nagar – 201 301
 Uttar Pradesh, India
Telephone: +91 120 479 1000

Statutory Auditors to our Company

J. R. Khanna & Co., Chartered Accountants

515, Sector 36 B, Chandigarh, 160 036

Email: khannaanil@jrkites.net

Telephone: +91 9316135981

Firm registration number: 004315N

Peer review number: 017960

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

Bankers to our Company

State Bank of India

SME Baddi, SCO A11-14

Big B Complex, Near Daawat Chowk

Sai Road, Baddi

Telephone: +91 972 928 8776

Email: sbi.05397@sbi.co.in

Website: Bank.sbi

Contact Person: Ankit Sharma, RMSME

Yes Bank Limited

SCO 129-130

Sector 9, Chandigarh

Telephone: +91 991 579 4688,

+91 9855228684

Email: arun.garg2@yesbank.in,

Jatinder.singh5@yesbank.in

Website: Yesbank.in

Contact Person: Arun Garg, Jatinder Pal Singh

HDFC Bank Limited

HDFC Bank House

Senapati Bapat Marg, Lower Parel

(West)

Mumbai – 400 013

Telephone: +91 953 083 6610

Email: rahul.rai12@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Rahul Rai

ICICI Bank Limited

Branch Baddi

Telephone: +91 7837277100

Email: Shivender.sood@icicibank.com

Website: www.icicibank.com

Contact Person: Shivender Sood

Banker(s) to the Offer

Escrow Collection Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Refund Bank(s)

[•]

Sponsor Bank

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than an RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may

submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, and at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks and mobile applications eligible as Issuer Banks for UPI

In accordance with, the SEBI ICDR Master Circular, SEBI RTA Master Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, read with other applicable UPI Circulars, UPI Bidders may apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at <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> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than UPI Bidders), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Credit Rating

As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer.

Debenture Trustee

As this is an Offer consisting only of Equity Shares, the appointment of a debenture trustee is not required.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Monitoring Agency

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilisation of the Gross Proceeds from the Fresh Issue. The relevant details shall be included in the Red Herring Prospectus. For details in relation to the proposed utilisation of the Gross Proceeds from the Fresh Issue, please see “*Objects of the Offer*” on page 116.

Grading of the Offer

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 17, 2025 from J. R. Khanna & Co., Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated November 12, 2025 on our Restated Financial Information; and (ii) report dated November 17, 2025, on the statement of possible special tax benefits in respect of the Company and its Shareholders, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated November 17, 2025 from Bansal & Co LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant to our Company.

Our Company has received written consent dated November 17, 2025, from Deepankar Sharma, independent chartered engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in relation to the Project Report.

Further, our Company has received written consent dated November 18, 2025 from Deepankar Sharma, independent chartered engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in relation to his certificate on the installed production capacity and capacity utilization of the Company’s products and certain details in relation to the total manufacturing and processing facilities owned and leased by the Company.

Our Company has received written consent dated November 6, 2025, from Shirin Bhatt & Associates, Practicing Company Secretaries, to include their name as required under Section 2(38) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their search report dated November 6, 2025, in connection with the Offer.

Our Company has received written consent dated November 18, 2025, from Shirin Bhatt & Associates, Practicing Company Secretaries, to include their name as required under Section 2(38) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate on ‘Certificate on Compliance with Companies Act’.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Selling Shareholders 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 in the Offer 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 Draft Red Herring Prospectus and will be executed prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable. This portion has been intentionally left blank and will be filled in before the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable.)

Name, address, telephone and email of the Underwriters	Indicative number of Equity Shares of face value of ₹2 each to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price, Basis of Allotment and allocation of Equity Shares, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

Filing

A copy of this Draft Red Herring Prospectus has been filed through SEBI’s online intermediary portal at <https://siportal.sebi.gov.in>, in accordance with SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and as specified in Regulation 25(8) of the SEBI ICDR Regulations.

It will also be filed with SEBI at the following address:

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band will be decided by our Company, in consultation with the Book Running Lead Managers, and if not disclosed in the Red Herring Prospectus, will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Himachal Pradesh, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date, and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid / Offer Closing Date. For details, see “*Offer Procedure*” on page 443.

All Bidders, other than Anchor Investors, shall only participate in this Offer through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. UPI Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until the Bid / Offer Closing Date. Further, Anchor Investors in the Anchor Investor Portion cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non – Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For an illustration of the Book Building Process and further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 432 and 443, respectively.

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

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

Bidders should note that the Offer is also subject to (i) filing the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within three working days of the Offer Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “*Offer Procedure*” beginning on page 443.

CAPITAL STRUCTURE

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

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	120,000,000 Equity Shares of face value of ₹2 each	240,000,000	[●]
	Total	240,000,000	[●]
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	90,000,000 Equity Shares of face value of ₹2 each	180,000,000	[●]
	Total	180,000,000	[●]
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS⁽⁴⁾		
	Offer of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹11,000 million ⁽²⁾⁽³⁾	[●]	[●]
	Which includes:	[●]	[●]
	Fresh Issue of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹8,000 million ⁽²⁾	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹2 each by the Selling Shareholders' aggregating up to ₹3,000.00 million ⁽³⁾	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER[§]		
	[●] Equity Shares of face value of ₹2 each*	[●]	-
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer (in ₹ million)		Nil
	After the Offer (in ₹ million)		[●]

*To be updated upon finalization of the Offer Price, and subject to the Basis of Allotment.

§Assuming full subscription of the Offer.

⁽¹⁾ For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see 'History and Certain Corporate Matters – Amendments to the Memorandum of Association' on page 278.

⁽²⁾ Our Board has authorized the Offer, pursuant to their resolution dated November 18, 2025. Our Shareholders' have authorized the Fresh Issue pursuant to special resolution passed at the extraordinary general meeting dated November 18, 2025, in accordance with Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consents from each of the Selling Shareholders in relation to their respective portion of the Offered Shares pursuant to its resolution dated November 18, 2025.

⁽³⁾ Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations. For details on authorizations and consents of each of the Selling Shareholders' in relation to their respective portion of the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on page 85 and page 416, respectively.

⁽⁴⁾ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Notes to the Capital Structure

1. Equity share capital history of our Company

The issuance of equity shares since incorporation until the date of this Draft Red Herring Prospectus, by our Company had been undertaken in accordance with the provisions of the Companies Act, 1956, and the Companies Act, 2013, as applicable. The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Details of allottees		Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
April 27, 1984 [#]	Name of the allottee	Number of equity shares of face value ₹10 each allotted	Initial subscription to MoA	20	10.00	10.00	Cash	20	200
	1. Ashok Kumar Tandon	10							
	2. Aradhna Tandon	10							
September 30, 1984 [*]	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Further issue	49,990	10.00	10.00	Cash	50,010	500,100
	1. Ashok Kumar Tandon	29,990							
	2. Dr. R.P. Sood/ R.K. Sood	2,500							
	3. Om Kumari Sood/ R.K. Sood	5,000							
	4. Alice Sood/ R.K. Sood	5,000							
	5. Romal Sood (through Alice Sood as guardian)/ R.K. Sood	2,500							
	6. Ramal Sood (through Alice Sood as guardian)/ R.K. Sood	2,500							
	7. Tammy Sood (through Alice Sood as guardian)/ R.K. Sood	2,500							
February 1, 2000 [*]	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Further issue	60,000	10.00	10.00	Cash	110,010	1,100,100
	1. Ashok Kumar Tandon	40,000							

Date of allotment	Details of allottees		Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
	2. Aradhna Tandon	10,000							
	3. Aman Tandon	5,000							
	4. Amit Tandon	5,000							
February 25, 2001*	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Bonus issue in the ratio of 3:2	165,015	10.00	N.A.	N.A.	275,025	2,750,250
	1. Ashok Kumar Tandon	105,000							
	2. Aradhna Tandon	15,015							
	3. Aman Tandon	22,500							
	4. Amit Tandon	22,500							
January 1, 2007	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Further issue	24,975	10.00	10.00	Cash	300,000	3,000,000
	1. Aman Tandon	12,488							
	2. Amit Tandon	12,487							
January 25, 2007	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Bonus issue in the ratio of 9:1	2,700,000	10.00	N.A.	N.A.	3,000,000	30,000,000
	1. Ashok Kumar Tandon	1,575,000							
	2. Aradhna Tandon	225,225							
	3. Aman Tandon	449,892							
	4. Amit Tandon	449,883							
Pursuant to the resolution passed by our Board dated September 10, 2025, and shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 3,000,000 equity shares of ₹10 each to 15,000,000 Equity Shares of ₹2 each.									
September 15, 2025	Name of the allottee	Number of equity shares of face value of ₹2 each allotted	Bonus issue in the ratio of 5:1	75,000,000	2.00	N.A.	N.A.	90,000,000	180,000,000
	1. Ashok Kumar Tandon	43,747,500							
	2. Aradhna Tandon	6,256,250							

Date of allotment	Details of allottees		Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
	3.	Aman Tandon	12,494,500						
	4.	Amit Tandon	6,244,250						
	5.	Anirudh Tandon	2,500						
	6.	Rajni Tandon	2,500						
	7.	Gagandeep Kaur Chawla	6,252,500						

Our Company was incorporated on April 27, 1984. The date of subscription to the Memorandum of Association is April 26, 1984 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on May 22, 1984.

* Secretarial records for allotments of equity shares by our Company since incorporation until February 25, 2001, comprising of Form 2 filed by the Company and corresponding challans in relation to such allotments ("**Corporate Records**"), are not traceable. Shirin Bhatt & Associates, Practicing Company Secretaries, appointed by our Company, conducted an independent inspection, including physical search for these Corporate Records as maintained at the RoC. Pursuant to their inspection and independent verification of the documents available with/ maintained by our Company, the RoC, and by way of their search report dated November 6, 2025, they have confirmed the unavailability of such Corporate Records. See "Risk Factors – Certain of our corporate records and filings with the RoC are not traceable or were delayed in filing or were inaccurate. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard." on page 55.

[Reminder of the page is left blank intentionally]

2. Equity shares issued for consideration other than cash or by way of a bonus issue

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue.

Date of allotment	Details of allottees		Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
February 25, 2001	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Bonus issue in the ratio of 3:2	165,015	10.00	N.A.	N.A.
	1. Ashok Kumar Tandon	105,000					
	2. Aradhna Tandon	15,015					
	3. Aman Tandon	22,500					
	4. Amit Tandon	22,500					
January 25, 2007	Name of the allottee	Number of equity shares of face value of ₹10 each allotted	Bonus issue in the ratio of 9:1	2,700,000	10.00	N.A.	N.A.
	1. Ashok Kumar Tandon	1,575,000					
	2. Aradhna Tandon	225,225					
	3. Aman Tandon	449,892					
	4. Amit Tandon	449,883					
September 15, 2025	Name of the allottee	Number of equity shares of face value of ₹2 each allotted	Bonus issue in the ratio of 5:1	75,000,000	2.00	N.A.	N.A.
	1. Ashok Kumar Tandon	43,747,500					
	2. Aradhna Tandon	6,256,250					
	3. Aman Tandon	12,494,500					
	4. Amit Tandon	6,244,250					
	5. Anirudh Tandon	2,500					
	6. Rajni Tandon	2,500					
	7. Gagandeep Kaur Chawla	6,252,500					

3. Shares issued out of revaluation reserves

Our Company has not issued any equity shares out of its revaluation reserves since its incorporation.

4. Preference shares

Our Company does not have any outstanding preference shares as on the date of filing of this Draft Red Herring Prospectus.

5. Equity Shares allotted in terms of any schemes of arrangement

Our Company has not allotted any Equity Shares in terms of any scheme approved under Sections 391 - 394 of the Companies Act, 1956 or Sections 230 - 234 of the Companies Act, 2013.

6. Issue of shares at a price lower than the Offer Price in the last year

The Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid / Offer Closing Date. Except as disclosed below, our Company has not issued any equity shares during a period of one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Details of allottees		Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
September 15, 2025	Name of the allottee	Number of equity shares of face value of ₹2 each allotted	Bonus issue in the ratio of 5:1	75,000,000	2.00	N.A.	N.A.
	1. Ashok Kumar Tandon	43,747,500					
	2. Aradhna Tandon	6,256,250					
	3. Aman Tandon	12,494,500					
	4. Amit Tandon	6,244,250					
	5. Anirudh Tandon	2,500					
	6. Rajni Tandon	2,500					
	7. Gagandeep Kaur Chawla	6,252,500					

7. Details of Shareholding of our Promoters, members of our Promoter Group and Selling Shareholders

(i) Equity Shareholding of the Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 67,490,400 Equity Shares, equivalent to 74.99% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below:

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
		Number of Equity Shares of ₹2 each	% of total Shareholding	Number of Equity Shares of ₹2 each	% of total Shareholding
1.	Ashok Kumar Tandon	52,497,000	58.33	[●]	[●]
2.	Aman Tandon	14,993,400	16.66	[●]	[●]
Total		67,490,400	74.99	[●]	[●]

*Subject to finalisation of Basis of Allotment

(ii) All Equity Shares of our Company are held in dematerialized form as on the date of this Draft Red Herring Prospectus.

(iii) Build-up of the Promoters shareholding in our Company

The build-up of the Equity Shareholding of our Promoters since the incorporation of our Company is set forth in the table below:

Date of Allotment / Transfer	Nature of transaction	Nature of Consideration	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage (%) of pre-Offer equity share capital	Percentage of post-Offer equity share capital
A. Ashok Kumar Tandon[^]							
April 27, 1984	Initial subscription to MOA	Cash	10	10.00	10.00	Negligible	[●]
September 30, 1984	Further issue	Cash	29,990	10.00	10.00	0.17	[●]

Date of Allotment / Transfer	Nature of transaction	Nature of Consideration	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage (%) of pre-Offer equity share capital	Percentage of post-Offer equity share capital
February 1, 2000	Further issue	Cash	40,000	10.00	10.00	0.22	[•]
February 25, 2001	Bonus issue in the ratio of 3:2	N.A.	105,000	10.00	N.A.	0.58	[•]
August 14, 2005	Transfer to B.P. Tandon	Cash	(10)	10.00	10.00	Negligible	[•]
December 27, 2006	Transfer from B.P. Tandon	Cash	10	10.00	10.00	Negligible	[•]
January 25, 2007	Bonus issue in the ratio of 9:1	N.A.	1,575,000	10.00	N.A.	8.75	[•]
March 10, 2007	Transfer to B.P. Tandon	Cash	(100)	10.00	10.00	Negligible	[•]
Pursuant to the shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the shareholding of Ashok Kumar Tandon was sub-divided from 1,749,900 equity shares of ₹10 each to 8,749,500 Equity Shares of ₹2 each.							
September 15, 2025	Bonus issue in the ratio of 5:1	N.A.	43,747,500	2.00	N.A.	48.61	[•]
Sub-total (A)			52,497,000			58.33	[•]
B. Aman Tandon[^]							
May 22, 1990*	Transfer from R.P. Sood and R.K. Sood	Cash	2,500	10.00	10.00	0.01	[•]
	Transfer from Romal Sood (through Alice Sood (Guardian) and R.K. Sood	Cash	2,500	10.00	10.00	0.01	[•]
	Transfer from Ramal Sood (through Alice Sood (Guardian) and R.K. Sood	Cash	2,500	10.00	10.00	0.01	[•]
	Transfer from Tammy Sood (through Alice Sood (Guardian) and R.K. Sood	Cash	2,500	10.00	10.00	0.01	[•]
February 1, 2000	Further issue	Cash	5,000	10.00	10.00	0.03	[•]
February 25, 2001	Bonus issue in the ratio of 3:2	N.A.	22,500	10.00	N.A.	0.13	[•]
August 14, 2005	Transfer to Rajni Tandon	Cash	(10)	10.00	10.00	Negligible	[•]
December 27, 2006	Transfer from Rajni Tandon	Cash	10	10.00	10.00	Negligible	[•]
January 1, 2007	Further issue	Cash	12,488	10.00	10.00	0.07	[•]
January 25, 2007	Bonus issue in the ratio of 9:1	N.A.	449,892	10.00	N.A.	2.50	[•]
March 10, 2007	Transfer to Rajni Tandon	Cash	(100)	10.00	10.00	Negligible	[•]
March 13, 2024	Transmission from B.P. Tandon through will	N.A.	100	10.00	N.A.	Negligible	[•]
June 11, 2025	Transfer to Anirudh Tandon by way of gift	N.A.	(100)	10.00	N.A.	Negligible	[•]

Date of Allotment / Transfer	Nature of transaction	Nature of Consideration	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage (%) of pre-Offer equity share capital	Percentage of post- Offer equity share capital
<i>Pursuant to the shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the shareholding of Aman Tandon was sub-divided from 499,780 equity shares of ₹10 each to 2,498,900 Equity Shares of ₹2 each.</i>							
September 15, 2025	Bonus issue in the ratio of 5:1	N.A.	12,494,500	2.00	N.A.	13.88	[•]
Sub-total (B)			14,993,400			16.66	[•]
Grand total (A+B)			67,490,400			74.99	[•]

^Also the Selling Shareholders

*Aman Tandon acquired such equity shares under guardianship of Ashok Kumar Tandon

(iv) **Build-up of the Selling Shareholders in our Company**

The build-up of the Equity Shareholding of the Selling Shareholders since the incorporation of our Company is set forth in the table below:

Date of Allotment/ Transfer	Nature of transaction	Nature of Consideration	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage (%) of pre- Offer equity share capital	Percentage of post- Offer equity share capital
Amit Tandon^							
May 22, 1990*	Transfer from Om Kumari Sood and R.K. Sood	Cash	5,000	10.00	10.00	0.03	[•]
	Transfer from Alice Sood and R. K. Sood	Cash	5,000	10.00	10.00	0.03	[•]
February 1, 2000	Further issue	Cash	5,000	10.00	10.00	0.03	[•]
February 25, 2001	Bonus issue in the ratio of 3:2	N.A.	22,500	10.00	N.A.	0.13	[•]
August 14, 2005	Transfer to Gagandeep Kaur Chawla	Cash	(10)	10.00	10.00	Negligible	[•]
December 27, 2006	Transfer from Gagandeep Kaur Chawla	Cash	10	10.00	10.00	Negligible	[•]
January 1, 2007	Further issue	Cash	12,487	10.00	10.00	0.07	[•]
January 25, 2007	Bonus issue in the ratio of 9:1	N.A.	449,883	10.00	N.A.	2.50	[•]
March 10, 2007	Transfer to Gagandeep Kaur Chawla	Cash	(100)	10.00	10.00	Negligible	[•]
October 3, 2016	Transfer to Gagandeep Kaur Chawla by way of gift	N.A.	(250,000)	10	N.A.	(1.39)	[•]
<i>Pursuant to the shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the shareholding of Amit Tandon was sub-divided from 249,770 equity shares of face value of ₹ 10 each to 1,248,850 Equity Shares of face value of ₹2 each.</i>							
September 15, 2025	Bonus issue in the ratio of 5:1	N.A.	6,244,250	2.00	N.A.	6.94	[•]
Sub-total (A)			7,493,100			8.33	[•]
Aradhna Tandon^							
April 27, 1984	Initial Subscription to MoA	Cash	10	10.00	10.00	Negligible	[•]

Date of Allotment/ Transfer	Nature of transaction	Nature of Consideration	No. of equity shares	Face value per equity share (₹)	Issue Price / Transfer Price per equity share (₹)	Percentage (%) of pre- Offer equity share capital	Percentage of post- Offer equity share capital
February 1, 2000	Further issue	Cash	10,000	10.00	10.00	0.06	[•]
February 25, 2001	Bonus issue in the ratio of 3:2	N.A.	15,015	10.00	N.A.	0.08	[•]
January 25, 2007	Bonus issue in the ratio of 9:1	N.A.	225,225	10.00	N.A.	1.25	[•]
Pursuant to the shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the shareholding of Aradhna Tandon was sub-divided from 250,250 equity shares of face value of ₹ 10 each to 1,251,250 Equity Shares of face value of ₹ 2 each.							
September 15, 2025	Bonus issue in the ratio of 5:1	N.A.	6,256,250	2.00	N.A.	6.95	[•]
Sub-total (B)			7,507,500			8.34	[•]
Gagandeep Kaur Chawla							
August 14, 2005	Transfer from Amit Tandon	Cash	10	10.00	10.00	Negligible	[•]
December 27, 2006	Transfer to Amit Tandon	Cash	(10)	10.00	10.00	Negligible	[•]
March 10, 2007	Transfer from Amit Tandon	Cash	100	10.00	10.00	Negligible	[•]
October 3, 2016	Transfer from Amit Tandon by way of gift	N.A.	250,000	10.00	N.A.	1.39	[•]
Pursuant to the shareholders' resolutions dated September 13, 2025, our Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the shareholding of Gagandeep Kaur Chawla was sub-divided from 250,100 equity shares of face value of ₹10 each to 1,250,500 Equity Shares of face value of ₹2 each.							
September 15, 2025	Bonus issue in the ratio of 5:1	N.A.	6,252,500	2.00	N.A.	6.95	[•]
Sub-total (C)			7,503,000			8.34	[•]
Total (A)+(B)+(C)			22,503,600			25.01	[•]

^ Also member of Promoter Group

*Amit Tandon acquired such equity shares under guardianship of Ashok Kumar Tandon

(v) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

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

(vii) Equity shareholding of the Promoter Group

As on the date of this Draft Red Herring Prospectus, the members of our Promoter Group (other than our Promoters) collectively hold 15,006,600 Equity Shares equivalent to 16.67% of the issue, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below:

S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital*	
		Number of Equity Shares	% of total Shareholding	Number of Equity Shares	% of total Shareholding
1.	Aradhna Tandon	7,507,500	8.34	[•]	[•]
2.	Amit Tandon	7,493,100	8.33	[•]	[•]
3.	Rajni Tandon	3,000	Negligible	[•]	[•]
4.	Anirudh Tandon	3,000	Negligible	[•]	[•]
Total		15,006,600	16.67	[•]	[•]

*Subject to finalisation of Basis of Allotment

(viii) **Secondary transactions involving the Promoters, Promoter Group and the Selling Shareholders**

For details in relation to the secondary transactions of equity shares of our Company by our Promoters and Selling Shareholders, see “– Build-up of the Promoters shareholding in our Company” and “– Build-up of the Selling Shareholder in our Company” on page 105 and page 107, respectively. Set out below are the secondary transactions of equity shares of our Company by members of the Promoter Group:

Date of Allotment / Transfer / Transmission	Name of transferor	Names of transferee	Number of equity shares transferred	Nature of consideration	Face value per equity share (₹)	Transfer price per equity share (₹)
Rajni Tandon						
August 14, 2005	Aman Tandon	Rajni Tandon	10	Cash	10	10
December 27, 2006	Rajni Tandon	Aman Tandon	(10)	Cash	10	10
March 10, 2007	Aman Tandon	Rajini Tandon	100	Cash	10	10
Anirudh Tandon						
June 11, 2025	Aman Tandon	Anirudh Tandon	100	Gift	10	NA

- (ix) Except as disclosed in “Details of Shareholding of our Promoters, members of our Promoter Group and Selling Shareholders – (iii) Build-up of the Promoters shareholding in our Company”, “Details of Shareholding of our Promoters, members of our Promoter Group and Selling Shareholders – (iv) Build-up of the Selling Shareholders in our Company” and “Details of Shareholding of our Promoters, members of our Promoter Group and Selling Shareholders – (viii) Secondary transactions involving the Promoters, Promoter Group and the Selling Shareholders”, none of the Promoters, members of the Promoter Group, the Directors of our Company, nor any of their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
- (x) There have been no financing arrangements whereby the members of the Promoter Group, our Directors, or their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.
- (xi) **Details of minimum Promoters’ contribution locked in for three years or any other period as may be prescribed under applicable law**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters’ contribution and locked-in for a period of three years or any other period as may be prescribed under applicable law, from the date of Allotment (“**Promoter’s Contribution**”). Our Promoters’ shareholding in excess of 20% shall be locked in for a period of one year from the date of the Allotment.

Our Promoters have given consent, to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter’s 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 this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoters’ Contribution for a period of three years, from the date of Allotment as Promoters’ Contribution are as

provided below:

Name of the Promoter	Number of Equity Shares locked-in**	Date of allotment/ transfer of Equity Shares [#]	Nature of transaction	Face value per Equity Share (₹)	Allotment / acquisition price per Equity Share (₹)	% of the pre- Offer paid-up Equity Share capital	% of the post- Offer paid-up Equity Share capital	Date up to which the Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Note: To be updated at the Prospectus stage.

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

^{**} Subject to finalisation of Basis of Allotment.

(xii) The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In particular, the Equity Shares do not and shall not consist of:

- Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (i) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (ii) as a result of bonus shares issued by utilisation of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;
- Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer where Issue / Acquisition Price of Equity Shares issued / acquired in past one year has been determined, after adjusting the same for corporate actions such as share split, bonus issue, etc, undertaken by the Company;
- Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Further, our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm.

(xiii) ***Details of share capital locked-in for six months or any other period as may be prescribed under applicable law***

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company held by persons other than our Promoters will be locked-in for a period of six months from the date of Allotment or any other period as may be prescribed under applicable law, except for (i) the Promoters' Contribution which shall be locked for a period of three years as detailed above; and (ii) the Equity Shares offered pursuant to the Offer for Sale; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009), as applicable, provided that (a) such Equity Shares shall be locked in for a period of at least six months prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders' and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis).

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years and the remaining post-Offer shareholding held by our Promoters in our Company which is locked in for one year, in terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment except for (i) the Equity Shares offered pursuant to the Offer for Sale; and (ii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI (as defined under the SEBI (Foreign Venture Capital Investor) Regulations, 2009), as applicable, provided that (a) such Equity Shares shall be locked in

for a period of at least six months prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders' and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis).

As on the date of this Draft Red Herring Prospectus, none of our Equity Shares are held by any VCF or Category I AIF or Category II AIF or FVCI. 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.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SI or housing finance companies, subject to the following:

- (i) with respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- (ii) with respect to the Equity Shares locked-in as Minimum Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, and the pledge of such Equity Shares must be one of the terms of the sanction of the loan.

However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, 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 lock in with the transferee and compliance with the provisions of the Takeover Regulations.

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

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(xv) *Recording on non-transferability of Equity Shares locked-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

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8. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category y (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total number of shares on fully diluted basis (including warrants, ESOP, convertible securities etc.) (XI)=(VII) +(X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XII)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XIII)		Number of Equity Shares pledged or otherwise encumbered (XIV)		Non- disposal Undertaking (XV)		Number of Equity Shares held in dematerialized form (XVI)
								Number of voting rights			Total as a % of (A+B+C)				Number r (a)	As a % of total Equity Share s held (b)	Number r (a)	As a % of total Equity Share s held (b)	Number (a)	As a % of total Equity Share s held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others												
(A)	Promoter and Promoter Group	6	82,497,000	-	-	82,497,000	91.66	82,497,000	-	82,497,000	91.66	-	-	-	-	-	-	-	-	-	82,497,000
(B)	Public	1	7,503,000	-	-	7,503,000	8.34	7,503,000	-	7,503,000	8.34	-	-	-	-	-	-	-	-	-	7,503,000
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)(2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	7	90,000,000	-	-	90,000,000	100.00	90,000,000	-	90,000,000	100.00	-	-	-	-	-	-	-	-	-	90,000,000

9. As on the date of this Draft Red Herring Prospectus, our Company has 7 Shareholders'. Further, our Company is in compliance with Section 67(3) of Companies Act, 1956 and has not had more than 49 shareholders and with Section 25 of the Companies Act, 2013 and has not had more than 200 shareholders in any financial year since incorporation.

10. 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.

S. No.	Name	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
Directors			
1.	Ashok Kumar Tandon	52,497,000	58.33
2.	Aman Tandon	14,993,400	16.66
Key Managerial Personnel (Other than the Chairman-cum-Executive Director and Managing Director)			
3.	Nil	Nil	Nil
Senior Management			
4.	Nil	Nil	Nil
Total		67,490,400	74.99

11. Major shareholders

The list of our major Shareholders' and the number of Equity Shares held by them is provided below:

- a) The details of our Shareholders' holding 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis, as on the date of filing this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares of face value ₹2 each held	Percentage of the pre-Offer Equity Share capital (%)
1.	Ashok Kumar Tandon	52,497,000	58.33
2.	Aman Tandon	14,993,400	16.66
3.	Aradhna Tandon	7,507,500	8.34
4.	Amit Tandon	7,493,100	8.33
5.	Gagandeep Kaur Chawla	7,503,000	8.34
Total		89,994,000	100.00

- b) The details of our Shareholders' who held 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis, as of 10 days prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of Equity Shares of face value ₹2 each held	Percentage of the pre-Offer Equity Share capital (%)
1.	Ashok Kumar Tandon	52,497,000	58.33
2.	Aman Tandon	14,993,400	16.66
3.	Aradhna Tandon	7,507,500	8.34
4.	Amit Tandon	7,493,100	8.33
5.	Gagandeep Kaur Chawla	7,503,000	8.34
Total		89,994,000	100.00

Note: Details as on November 7, 2025 being the date 10 days prior to the date of this Draft Red Herring Prospectus.

- c) The details of our Shareholders' who held 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of the date one year prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of equity shares of face value ₹10 each held	Percentage of the pre-Offer Equity Share capital (%)
1.	Ashok Kumar Tandon	1,749,900	58.33
2.	Aman Tandon	499,880	16.66
3.	Amit Tandon	249,770	8.33
4.	Aradhna Tandon	250,250	8.34

S. No.	Name of the Shareholder	Number of equity shares of face value ₹10 each held	Percentage of the pre-Offer Equity Share capital (%)
5.	Gagandeep Kaur Chawla	250,100	8.34
Total		2,999,900	100.00

Note: Details as on November 18, 2024 being the date one year prior to the date of this Draft Red Herring Prospectus.

- d) The details of our Shareholders' who held 1% or more of the paid-up Equity Share capital of our Company on a fully diluted basis, as of the date two years prior to the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Number of equity shares of face value ₹10 each held	Percentage of the pre-Offer Equity Share capital (%)
1.	Ashok Kumar Tandon	1,749,900	58.33
2.	Aman Tandon	499,780	16.66
3.	Amit Tandon	249,770	8.33
4.	Aradhna Tandon	250,250	8.34
5.	Gagandeep Kaur Chawla	250,100	8.34
Total		2,999,800	100.00

Note: Details as on November 18, 2023 being the date two years prior to the date of this Draft Red Herring Prospectus.

12. Except for the Allotment of Equity Shares pursuant to the Fresh Issue and Pre-IPO Placement prior to the filing of Red Herring Prospectus with the RoC, there will be no further issuance of specified securities whether by way of public issue, rights issue, preferential issue, qualified institutions placement, bonus issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI, until the listing of the Equity Shares on the Stock Exchanges or the refund of application monies, as the case may be.
13. Except for the Allotment of Equity Shares pursuant to the Fresh Issue, there is no proposal or intention or negotiations or consideration by our Company to alter our capital structure by way of split or consolidation of the denomination of the shares or issue of specified securities on a preferential basis or issue of bonus or rights issue or further public offer of specified securities within a period of six months from the Bid / Offer Opening Date.
14. Our Company, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares from any person.
15. As on the date of this Draft Red Herring Prospectus, our Company does not have any active employee stock option plan.
16. Our Company is in compliance with the Companies Act, 1956 and Companies Act, 2013, with respect to issuance of equity shares, to the extent applicable, from the date of incorporation of our Company till the date of this Draft Red Herring Prospectus. For details with respect to forms filed by us with the relevant registrars of companies and corporate records which are untraceable in our records, please see "*Risk Factors – Certain of our corporate records and filings with the RoC are not traceable or were delayed in filing or were inaccurate. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard*" on page 55.
17. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders', the members of the Syndicate, our Promoters, the 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.
18. Except for our Promoters, Amit Tandon and Aradhna Tandon, none of the other members of Promoter Group will participate in the Offer for Sale.
19. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension fund sponsored by entities

which are associate of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

20. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.
21. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
22. The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation in the Offer for Sale.
23. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.
24. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. Our Company, the Selling Shareholders', the Promoters, the Directors and the BRLMs have not entered into buy-back arrangements and/or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
26. Our Company shall also ensure that any proposed pre-IPO placement disclosed in the draft offer document shall be reported to the Stock Exchanges, within 24 hours of such pre-IPO transactions (in part or in entirety).
27. All Equity Shares issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
28. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company, the Promoters, Selling Shareholders and their respective affiliates or associates in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, the Promoters, Selling Shareholders and their respective affiliates or associates for which they may in the future receive customary compensation.
29. We confirm that the Book Running Lead Managers are not associates of our Company as per Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue of up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹8,000 million by our Company and the Offer for Sale of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹3,000 million by the Selling Shareholders. For details, see “*The Offer*” on page 85.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale by the Selling Shareholders will not form part of the Net Proceeds. The Selling Shareholders shall be entitled to receive the proceeds of the Offer for Sale, after deducting their respective proportion of the Offer related expenses and the relevant taxes thereon. For details, see “– *Offer Related Expenses*” on page 133.

Fresh Issue

Net Proceeds

The details of the Net Proceeds are summarized in the table below:

(in ₹ million)	
Particulars	Estimated Amount ⁽¹⁾⁽²⁾
Gross proceeds of the Fresh Issue ⁽¹⁾⁽³⁾	8,000.00
(Less) Offer related expenses to the extent applicable to the Fresh Issue (only those apportioned to our Company) ⁽¹⁾⁽²⁾	[●]
Net Proceeds⁽¹⁾⁽²⁾	[●]

- (1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
- (2) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. For details on Offer related expenses, see “– *Offer Related Expenses*” on page 133. Subject to finalisation of the Basis of Allotment.
- (3) Subject to full subscription of the Fresh Issue component.

Requirement of funds

The Net Proceeds of the Offer, i.e., gross proceeds of the Fresh Issue less Offer related expenses (“**Net Proceeds**”) are proposed to be utilised by our Company in the following manner:

1. Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company;
2. Financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh (the “**Proposed Greenfield Project**”); and
3. General corporate purposes.

(collectively, “**Objects**”).

In addition to the aforementioned Objects, our Company expects that the listing of the Equity Shares will result in the enhancement of our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares.

The main objects and objects incidental and ancillary to the main objects of the Memorandum of Association enables our Company (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds (including the activities for which funds are earmarked towards general

corporate purposes); and (iii) to undertake the activities for which loan facilities were raised and which are proposed to be prepaid or repaid from the Net Proceeds.

Utilisation of Net Proceeds

Our Company proposes to utilise the Net Proceeds in the manner set forth in the table below:

(in ₹ million)

Sr. No.	Particulars	Amount proposed to be funded from the Net Proceeds ⁽¹⁾⁽²⁾
1.	Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company	3,568.59
2.	Proposed Greenfield Project ⁽³⁾⁽⁴⁾	2,964.21
3.	General corporate purposes ⁽²⁾	●
Total Net Proceeds ⁽¹⁾⁽²⁾		●

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

⁽²⁾ The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds and will be finalised upon determination of the Offer Price and shall be updated in the Prospectus prior to filing with the RoC.

⁽³⁾ The total amount proposed to be funded from the Net Proceeds towards the funding the Proposed Greenfield Project excludes an amount of ₹82.65 million (including stamp duty and registration fees at the time of executing the sale deed), that has already been incurred by our Company towards acquisition of land on which the Proposed Greenfield Project will be set up and pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has already been incurred by our Company.

⁽⁴⁾ The amount proposed to be funded from the Net Proceeds, for Proposed Greenfield Project, are based on the Project Report (as defined below).

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

(in ₹ million)

S. No	Particulars	Total estimated cost	Total amount deployed towards the Objects, as on November 11, 2025*	Amount proposed to be funded from the Net Proceeds ⁽¹⁾	Amount to be deployed from the Net Proceeds		
					Fiscal 2026	Fiscal 2027	Fiscal 2028
1.	Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company	3,568.59	NA	3,568.59	3,568.59	Nil	Nil
2.	Proposed Greenfield Project ⁽⁴⁾	3,047.88	83.67 ⁽²⁾	2,964.21	-	1,573.83	1,390.38
3.	General corporate purposes ⁽³⁾	●	NA	●	●	●	●
Net Proceeds⁽¹⁾⁽⁵⁾		●	●	●	●	●	●

*As certified by J. R. Khanna & Company, our Statutory Auditors pursuant to their certificate dated November 18, 2025.

(1) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the

amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

- (2) The amount includes (i) ₹82.65 million (including stamp duty and registration fees at the time of executing the sale deed), that has already been incurred by our Company towards acquisition of land on which the Proposed Greenfield Project will be set up, (ii) pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has already been incurred by our Company.
- (3) To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
- (4) Total estimated cost and the amount proposed to be funded from the Net Proceeds, for Proposed Greenfield Project, are based on the Project Report (as defined below).
- (5) The total amount proposed to be funded from the Net Proceeds towards the funding the Proposed Greenfield Project excludes an amount of ₹82.65 million (including stamp duty and registration fees at the time of executing the sale deed), that has already been incurred by our Company towards acquisition of land on which the Proposed Greenfield Project will be set up and pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has already been incurred by our Company.

The total estimated cost and deployment of funds indicated above is based on current business plan, management estimates, current and valid quotations obtained from third parties, the Project Report (as defined below), current circumstances of our business, prevailing market conditions, competition and other commercial considerations, which are subject to change and may not be within the control of our management. The total estimated cost and deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See *“Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected”* on page 61. Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, logistics and transport costs, incremental preoperative expenses, taxes and duties, interest and finance charges, working capital margin, fluctuations in prices quoted by our vendors, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the aggregate of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, as amended. Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer, in accordance with the applicable laws. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the Objects, in accordance with the applicable laws. Our Company may also utilise any portion of the Net Proceeds, towards the Objects, ahead of the estimated schedule of deployment specified above. For further details, please see *“Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected”* on page 61.

Means of finance

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards (i) repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company; (ii) Proposed Greenfield Project; and (iii) general corporate purposes.

In relation to Proposed Greenfield Project, the total estimated cost of ₹3,047.88 million, is proposed to be funded as follows:

(in ₹ million)

Particulars	Amount
Total estimated cost towards Proposed Greenfield Project (A) ⁽¹⁾	3,047.88
Amount deployed as on November 11, 2025, (B) ^{(2)*}	83.67
Amount to be funded from the Net Proceeds (A – B=C)	2,964.21

*As certified by J. R. Khanna & Company, our Statutory Auditors pursuant to their certificate dated November 18, 2025

- (1) Total estimated cost and the amount proposed to be funded from the Net Proceeds, for Proposed Greenfield Project, are based on the Project Report (as defined below) and includes applicable taxes to the extent input tax credit cannot be claimed by our Company.
- (2) The amount includes (i) ₹82.65 million (including stamp duty and registration fees at the time of executing the sale deed), that has already been incurred by our Company towards acquisition of land on which the Proposed Greenfield Project will be set up, (ii) pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has already been incurred by our Company.

Other than as set out above, the balance fund requirements for the Objects are proposed to be funded entirely from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

Details of the Objects

1. Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company

Our Company has entered into various borrowing arrangements with banks and other financial institutions, including borrowings in the form of terms loans and working capital facilities. As on September 30, 2025, our Company's aggregate outstanding borrowings was ₹3,808.20 million. For further details, including indicative terms and conditions, see "Financial Indebtedness" on page 401.

Our Company intends to utilise an aggregate amount of ₹3,568.59 million from the Net Proceeds towards repayment/ prepayment of all or a portion of certain outstanding borrowings availed by our Company, including accrued interest thereon.

Considering the nature of the borrowings and the terms of repayment/ prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time, and our Company may, post filing of this Draft Red Herring Prospectus, in accordance with the relevant repayment schedule, repay or refinance any of the below mentioned loans or facilities. Further, our Company may also avail additional borrowings and/or draw down further funds under existing loans from time to time. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities or any additional facilities availed by our Company and the table below shall be suitably updated in the Red Herring Prospectus to reflect the revised amounts or additional loans, as the case may be, which may be availed by our Company. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals of our Company, subject to the applicable law. However, the total amount to be utilised towards this Object shall not exceed ₹3,568.59 million from the Net Proceeds, subject to the other factors mentioned herein.

Such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and improve our debt-to equity-ratio and enable utilisation of internal accruals for further investment in business growth and expansion. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. Additionally, we believe that our leverage capacity will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

For the purposes of the Offer, we have obtained the necessary consent from our lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer and for the deployment of the Net Proceeds towards the Objects set out in this section.

The borrowings proposed to be repaid/ prepaid out of total borrowings of our Company, have been

approved by our Board in its meeting dated November 18, 2025, and such selection is based on various factors including (i) cost, expenses and charges of the borrowings, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements; (iii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders; (iv) terms and conditions of such consents and waivers; (v) levy of any prepayment penalties and the quantum thereof; (v) ease of operation of the facility; and (vi) other commercial considerations including, among others, nature of interest rate, the outstanding amount and the remaining repayment tenure. The amounts proposed to be prepaid and/ or repaid against the borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and/ or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment.

The following table sets forth details of the indicative list of borrowings availed by our Company, which were outstanding as on September 30, 2025, which our Company may repay/prepay.

(Remainder of the page is intentionally left blank)

Sr. No	Name of the Lender	Date of sanction/agreement	Nature of borrowing	Interest rate as on September 30, 2025 (% per annum)	Sanctioned amount as on September 30, 2025 (in ₹ million)	Amount outstanding as on September 30, 2025 (including interest) (in ₹ million)	Tenure	Prepayment penalty/ conditions	Purpose of borrowing
1	HDFC Bank Limited	May 30, 2020	Term Loan	7.68% (linked to 1 month T-bill)	200.00	66.58	84 Months	Foreclosure Charges: Up to 2% of outstanding for Term loan plus taxes	For capital expenditure
2	HDFC Bank Limited	August 17, 2021	Term Loan	7.68% (linked to 1 month T-bill)	220.00	99.01	72 Months	Nil	For capital expenditure
3	HDFC Bank Limited	August 24, 2022	Term Loan	7.68% (linked to 1 month T-bill)	290.00	203.98	84 Months	Foreclosure Charges: Up to 2% of outstanding for Term loan plus taxes	For capital expenditure
4	HDFC Bank Limited	February 12, 2025	Term Loan	8.25%	300.00	8.94	84 Months	Foreclosure Charges: Up to 2% of outstanding for Term loan plus taxes	For capital expenditure
5	State Bank of India	April 09, 2018	Term Loan	8.90%	100.00	13.50	96 Months	2% of the prepaid amount	For capital expenditure, plant and machinery
6	State Bank of India	May 10, 2021	Term Loan	8.70%	100.00	47.28	84 Months	2% of the prepaid amount	For capital expenditure, plant and machinery
7	State Bank of India	August 30, 2022	Term Loan	8.70%	270.00	196.39	84 Months	2% of the prepaid amount	For capital expenditure, plant and machinery
8	EXIM Bank	August 28, 2023	Term Loan	8.50%	240.00	206.56	60 Months	1% of the amount prepaid	For capital expenditure, plant and machinery
9	ICICI Bank Limited	July 05, 2018	Term Loan	8.86%	100.00	12.40	84 Months	2% of the amount prepaid	For capital expenditure, plant and machinery
10	HDFC Bank Limited	March 10, 2022	Guaranteed Emergency Credit Line	7.24% (linked to 1 month T-bill)	139.20	89.90	72 Months	Nil	For Working Capital Requirement
11	HDFC Bank Limited	January 07, 2021	Guaranteed Emergency Credit Line	9.25% (Linked to 1-year MCLR)	156.00	19.55	60 Months	Nil	For Working Capital Requirement
12	State Bank of India	January 18, 2021	Guaranteed Emergency Credit Line	9.05%	58.00	6.00	60 Months	2% of the prepaid amount	For Working Capital Requirement
13	State Bank of India	November 27, 2021	Guaranteed Emergency Credit Line	9.25%	104.50	54.81	72 Months	2% of the prepaid amount	For Working Capital Requirement
14	YES Bank Limited	February 17, 2021	Guaranteed Emergency Credit Line	9.25%	19.00	2.38	60 Months	Nil	For Working Capital Requirement

Sr. No	Name of the Lender	Date of sanction/agreement	Nature of borrowing	Interest rate as on September 30, 2025 (% per annum)	Sanctioned amount as on September 30, 2025 (in ₹ million)	Amount outstanding as on September 30, 2025 (including interest) (in ₹ million)	Tenure	Prepayment penalty/ conditions	Purpose of borrowing
15	YES Bank Limited	December 29, 2021	Guaranteed Emergency Credit Line	9.25%	46.10	27.91	72 Months	Nil	For Working Capital Requirement
16	YES Bank Limited	October 26, 2021	Guaranteed Emergency Credit Line	9.25%	50.00	6.25	60 Months	Nil	For Working Capital Requirement
17	HDFC Bank Limited	February 20, 2025	Bill Discounting	8.60%	300.00	299.46	On Demand	Nil	For Working Capital Requirement
18	State Bank of India	February 07, 2025	Bill Discounting	6.56% 91 days T Bill	400.00	398.11	On Demand	Nil	For Working Capital Requirement
19	HDFC Bank Limited	March 01, 2023	Cash Credit	7.85%	800.00	311.95	On Demand	Foreclosure Charges : Up to 2% of the sanctioned amount plus taxes	For Working Capital Requirement
20	HDFC Bank Limited	March 01, 2023	Working Capital Demand Loan	7.85%	Sublimit of Cash Credit-800.00	480.00	On Demand	Foreclosure Charges : Up to 2% of the sanctioned amount plus taxes	For Working Capital Requirement
21	State Bank of India	September 19, 2023	Cash Credit	8.70%	575.00	73.17	On Demand	N.A.	For Working Capital Requirement
22	State Bank of India	September 19, 2023	Working Capital Demand Loan	8.30%	Sublimit of Cash Credit-470.00	473.28	On Demand	Nil	For Working Capital Requirement
23	YES Bank Limited	March 14, 2023	Cash Credit	8.70%	525.00	51.18	On Demand	Nil	For Working Capital Requirement
24	YES Bank Limited	March 14, 2023	Working Capital Demand Loan	8.45%	Sublimit of Cash Credit -525.00	420.00	On Demand	Nil	For Working Capital Requirement
Total					4,992.80	3,568.59			

In accordance with the SEBI ICDR Regulations, pursuant to the certificate dated November 18, 2025, J. R. Khanna & Company, our Statutory Auditors, have certified the utilisation of above borrowings for the purposes they were availed.

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2. Proposed Greenfield Project

Our Company proposes to utilise an amount of up to ₹2,964.21 million from the Net Proceeds for financing the capital expenditure requirements in relation to Proposed Greenfield Project, for manufacturing (i) electric vehicle (“EV”) components requiring high-speed precision gears, and (ii) heavy components for locomotives, windmills, and other heavy industries. The proposed capital expenditure has been approved by our Board pursuant to its resolution dated November 18, 2025.

Our Company manufactures high-precision, complex engineered transmission components which have applications across multiple sectors, including tractors, construction equipment, EV, locomotives, windmills and other heavy industries. Since Fiscal 2019, our Company has pursued a diversification plan to widen its addressable market, entering the EV segment to serve Indian OEMs’ rising domestic procurement needs and to benefit from the global supply-chain shift away from China and Taiwan (*Source: 1Lattice Report*). In Fiscal 2021, our Company commissioned its greenfield facility at Unit IX, dedicated to EV-drivetrain components, and has continuously invested in technologies in the last three Fiscals to meet the stringent tolerances required by electric vehicles. Our Company entered the windmill and heavy-industry sector in Fiscal 2022 and the locomotive sector in Fiscal 2024. Our Company intends to continue investing in and expanding its manufacturing capacities to address the growing demand for heavy-duty components used in locomotives, windmills and heavy industrial applications, as well as the high-volume requirements of EV components, while also focusing on the development of new products across these segments and enhancing existing capacities to better serve customer requirements.

With the rapid expansion of the EV segment, the demand for precision-engineered components has increased significantly (*Source: 1Lattice Report*). While certain machines at our Company’s existing facilities are technically fungible, the scale and specificity of EV-related demand necessitate a dedicated manufacturing setup with an optimized layout. Establishing a separate line will enable efficient management of higher volumes without disrupting production of existing product lines at other facilities. A dedicated EV component line is therefore critical to ensure operational continuity, process efficiency, and adherence to stringent customer delivery timelines.

Further, the new facility will also be leveraged to manufacture larger diameter gears and heavy-duty components used in locomotives, windmills, and heavy industry sectors applications. Our Company’s existing units were designed primarily for medium-sized components catering to tractors and construction equipment, thereby limiting their ability to accommodate the production of larger, heavier, and bulkier products. The proposed facility is planned to be equipped with the necessary infrastructure to process gears ranging from over 500 mm up to 1,000 mm in diameter, supported by advanced automated gear inspection systems, enabling production of high-precision products such as bull gears, internal ring gears, transmission gears, shafts, and ground gears.

The Proposed Greenfield Project represents a strategic investment toward capacity augmentation, operational efficiency, and long-term growth in alignment with evolving OEM demands maximising productivity and insulating the business from sector-specific cycles or under-utilisation. It will help in enhancing the existing production capacity of our Company’s existing product categories (bull gears, transmission gears and transmission shafts, rear axles, spindles, internal ring gears, rock shafts and induction hardened shafts, cut bevel gears, and ground gears and shafts), thereby broadening its product portfolio and strengthening its presence in higher-value segments within the automotive ecosystem.

While our Company’s existing machines are flexible and interchangeable across product categories, and helps mitigate underutilisation, its product manufacturing capacity across existing product categories (bull gears, transmission gears and transmission shafts, rear axles, spindles, internal ring gears, rock shafts and induction hardened shafts, cut bevel gears, and ground gears and shafts) was operating at approximately 70% to 95% utilization as of June 30, 2025, leaving limited headroom for further scale-up. Furthermore, the allowable constructable area out of the total area of the existing manufacturing facilities has already been constructed and already been fully utilized for commercial operations, leaving no further allowable constructable area available within the existing premises. Therefore, our Company is not in a position to expand further in its existing manufacturing facilities in Himachal Pradesh. Hence, the current units cannot accommodate the specialized and dedicated infrastructure and machineries required for the manufacturing of large diameter gears and high precision EV components including bull gears, internal ring gears, transmission gears and shafts and ground gears. Accordingly, the proposed new manufacturing facility is essential for manufacturing above products thereby to enable our Company to better serve its customer requirements and growing demands in Locomotives, EV and heavy industrial application space.

Accordingly, to pursue the aforementioned strategies and address the requirement for a dedicated manufacturing

infrastructure and specialized production lines, our Company proposes to set up a new manufacturing facility for the Proposed Greenfield Project in proximity to our existing manufacturing units in Himachal Pradesh. For further details of our strategy, see “Our Business — Our Strategies — Expand capacity at our existing manufacturing facilities and set up a new manufacturing facility” on page 247.

Land

The land on which the Proposed Greenfield Project is to be set up is located at Mohal Bated, H.8. No. 200, Tehsil Baddi, District Solan, Himachal Pradesh (“**Project Land**”) and is free from encumbrances. Our Company has received approval from the Single Window Clearance Agency (SWCA), Directorate of Industries, Government of Himachal Pradesh, for setting up the Proposed Greenfield Project. Accordingly, our Company has acquired the identified Project Land through internal accruals for a total consideration of ₹82.65 million and registered such land in the name of our Company through a registered conveyance deed dated September 24, 2025. Our Company has also obtained the requisite permission under Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972, from the Department of Revenue, Government of Himachal Pradesh for industrial purpose which also encompasses the approval for change of land use. No separate approval is required from any local authorities for utilising the Project Land for setting up the Proposed Greenfield Project.

Estimated cost

The total estimated cost for the Proposed Greenfield Project is ₹3,047.88 million, out of which up to ₹2,964.21 million will be funded from the Net Proceeds, as certified by Deepankar Sharma, Chartered Engineer, pursuant to their draft project report dated November 17, 2025 (“**Project Report**”).

The detailed break-down of the estimated cost of the Proposed Greenfield Project is set forth below:

(in ₹ million)			
Sr. No.	Particulars	Total estimated cost	Amount to be utilized from the Net Proceeds
1.	Land cost [^]	82.65	-
2.	Building Construction and Civil Work [*]	302.94	302.94
3.	Purchase of Plant and Machinery including freight and forwarding charges [#]	2,605.55	2,605.55
4.	Electricals and utilities ^{##}	50.72	50.72
5.	Miscellaneous (design, architect fees and approvals related expense) ^{###}	6.02	5.00
Total		3,047.88	2,964.21

Note: The total estimated cost is certified by Deepankar Sharma, Chartered Engineer, pursuant to the Project Report

[^]The Project Land acquired by our Company is inclusive of applicable taxes (for which our Company will not be able to avail input tax credit), including stamp duty and registration fees at the time of executing the sale deed.

^{*}The estimated cost includes applicable taxes and duties as our Company will not be able to avail input tax credit for the same.

[#]The estimated cost excludes applicable taxes and duties as our Company will be able to avail input tax credit for the same. The purchase of plant and machinery cost includes the freight and insurance cost based on management estimates.

^{##}The estimated cost excludes applicable taxes and duties as our Company will be able to avail input tax credit for the same.

^{###}Miscellaneous costs comprise the pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has been incurred from internal accruals. Further, the miscellaneous expenses to be incurred from Net Proceeds amounting to ₹5.00 million are estimated towards expenditure on architecture fees, design, and approval-related activities for the proposed facility.

Break-up of the estimated cost

A detailed break-up of the estimated costs towards the Proposed Greenfield Project is set forth below:

(i) Land cost

The details in relation to the Project Land, which has been acquired by our Company, are as follows:

Address	Present area (in sq. feet)	Sale Deed details	Total cost of land incurred (in ₹ million)*	Nature of land
Land located under various Khasras at Mohal Bated, H.8. No. 200, Tehsil Baddi, District Solan, Himachal Pradesh	270,532.58	Original sale deed no. 2508/2025, dated September 24, 2025	82.65	Industrial

*Inclusive of applicable taxes, including stamp duty and registration fees at the time of executing the sale deed is inclusive of applicable taxes (for which our Company will not be able to avail input tax credit).

(ii) *Building construction and civil work*

The total estimated cost for building construction and civil work is ₹302.94 million, inclusive of applicable taxes, as per the Project Report. The proposed works primarily include civil work, construction of pre-fab shed, painting, fire safety, roads and boundary, toilets etc. We propose to utilize an amount of ₹302.94 million out of the Net Proceeds towards such building construction and civil work. The estimated costs of construction of building and civil work are provided below:

Sr. No.	Description	Estimated area (in sq.foot)	Rate per sq.foot (₹)	Total estimated cost* (in ₹ million) (including taxes)	Name of vendor	Date of quotation	Validity
1.	Civil work	102,950	-	138.38	Vivek Consultants	October 25, 2025	April 24, 2026
	- Shed A	41,000	1,200.00	49.20			
	- Shed B	56,650	1,200.00	67.98			
	- Admin block	5,300	4,000.00	21.20			
2.	Pre fab shed	97,650	700.00	68.35			
3.	Paint	N.A.	-	5.00			
4.	Fire safety	N.A.	-	10.00			
5.	Roads and boundary	N.A.	-	30.00			
6.	Toilets / Water	N.A.	-	5.00			
Total				256.73			
GST @ 18%				46.21			
Total (inclusive of GST)				302.94			

* The estimated cost includes applicable taxes and duties as our Company will not be able to avail input tax credit.

(iii) *Plant and machinery*

The total estimated cost for procurement of plant and machinery for the Proposed Greenfield Project is ₹2,605.55 million, excludes applicable taxes and duties (as our Company will be able to avail input tax credit) and includes the freight and insurance cost based on management estimates, as per the Project Report, which we propose to utilize out of the Net Proceeds. Such plant and machinery primarily include, among others, gear grinding machines, gear skiving machines, NVH tester for gears, vertical turning lathe with milling option, gear analyser, vertical machine centre, internal spline generation, CNC hobbing machine etc. The estimated costs of plant and machinery are provided below:

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Sr. No.	Description	Currency	RBI Exchange rate as on October 31, 2025	Cost per unit* (in ₹ million)	Quantity	Total cost* (in ₹ million)	Date of quotation	Validity	Name of vendor
1.	Cylindrical Gear Grinding Machine	EURO	102.67	119.18	1	119.18	October 22, 2025	Valid up to April 20, 2026	Klingelberg GmbH
2.	Internal Gear Skiving Machine With Honning Option	EURO	102.67	102.88	1	102.88	October 17, 2025	Valid up to August 1, 2026	Prawema Antriebstechnik GmbH
3.	Gear Skiving Machine For Internal / External Gears	EURO	102.67	98.54	1	98.54	October 17, 2025	Valid up to August 1, 2026	Prawema Antriebstechnik GmbH
4.	Vertical Skiving Machine	EURO	102.67	137.71	2	275.42	October 17, 2025	Valid up to August 1, 2026	Pitler T&S GmbH
5.	Gear Grinding Machine	INR	1.00	71.50	1	71.50	October 23, 2025	Valid up to April 22, 2026	Liebherr Machine Tools India Pvt Ltd
6.	Gear Grinding Machine	CHF	110.63	122.80	1	122.80	October 23, 2025	Valid up to April 23, 2026	Reishauer AG
7.	Gear Grinding Machine	CHF	110.63	122.80	1	122.80	October 23, 2025	Valid up to April 23, 2026	Reishauer AG
8.	Argus Hardware	CHF	110.63	5.53	1	5.53	October 23, 2025	Valid up to April 23, 2026	Reishauer AG
9.	Gear Grinding Machine	EURO	102.67	98.24	1	98.24	October 22, 2025	Valid up to April 20, 2026	Klingelberg GmbH
10.	Gear Roll Testing Machine - NVH	EURO	102.67	46.57	1	46.57	October 22, 2025	Valid up to April 20, 2026	Klingelberg GmbH
11.	ACE Vertical Turret Lathe	INR	1.00	9.25	1	9.25	October 17, 2025	Valid up to April 16, 2026	Ace Designers Ltd.
12.	3D Cmm With Gear Inspection	INR	1.00	12.69	1	12.69	October 27, 2025	Valid up to April 26, 2026	Hexagon Metrology (India) Pvt. Ltd.
13.	3D Cmm For 600 Dia	INR	1.00	6.09	1	6.09	October 27, 2025	Valid up to April 26, 2026	Hexagon Metrology (India) Pvt. Ltd.
14.	Gear Analyser 1000 Dia Precision Measuring Center	EURO	102.67	73.44	1	73.44	October 22, 2025	Valid up to April 20, 2026	Klingelberg GmbH

Sr. No.	Description	Currency	RBI Exchange rate as on October 31, 2025	Cost per unit* (in ₹ million)	Quantity	Total cost* (in ₹ million)	Date of quotation	Validity	Name of vendor
15.	Ultrasonic Pressure Washing Machine	INR	1.00	4.78	1	4.78	October 17, 2025	Valid up to August 28, 2026	Gayatri Automation Systems Pvt. Ltd.
16.	Circular Saw machine	INR	1.00	4.85	1	4.85	October 17, 2025	Valid up to August 01, 2026	Zeal Tech Automation
17.	Vertical Machining Centre	INR	1.00	3.45	1	3.45	October 17, 2025	Valid up to April 16, 2026	Ace Designers Ltd.
18.	Internal Spline Generation New Axial Forming Machine	EURO	102.67	137.58	1	137.58	October 24, 2025	Valid up to April 30, 2026	Felss Systems GmbH
19.	Shaft measuring inspection	EURO	102.67	5.13	2	10.27	October 27, 2025	Valid up to April 30, 2026	Mahr GmbH
20.	Induction Hardening Machine	INR	1.00	18.04	2	36.08	October 17, 2025	Valid up to August 01, 2026	Inductotherm (India) Pvt. Ltd.
21.	Automatic Micro Vicker Hardness Tester	INR	1.00	1.63	1	1.63	October 31, 2025	Valid up to August 26, 2026	Mitutoyo South Asia Pvt. Ltd.
22.	Gear Hobbing Machine	INR	1.00	72.50	1	72.50	October 23, 2025	Valid up to April 22, 2026	Liebherr Machine Tools India Pvt Ltd
23.	CNC Gear Hobbing Machine	INR	1.00	25.00	6	150.00	October 23, 2025	Valid up to April 22, 2026	Liebherr Machine Tools India Pvt Ltd
24.	CNC Internal Grinding Machine	INR	1.00	7.15	4	28.60	October 23, 2025	Valid up to April 22, 2026	PMT Machines Limited
25.	CNC External Grinding Machine	INR	1.00	7.15	4	28.60	October 23, 2025	Valid up to April 22, 2026	PMT Machines Limited
26.	CNC Lathe	INR	1.00	2.13	20	42.50	October 17, 2025	Valid up to April 16, 2026	LMW Limited
27.	Gear Analyser 400 Dia Precision Measuring Center	EURO	102.67	40.97	1	40.97	October 22, 2025	Valid up to April 20, 2026	Klingelnberg GmbH
28.	Low pressure heating and vacuum oil quenching double chamber furnaces	EURO	102.67	95.48	1	95.48	October 31, 2025	Valid up to August 30, 2026	ECM Technologies

Sr. No.	Description	Currency	RBI Exchange rate as on October 31, 2025	Cost per unit* (in ₹ million)	Quantity	Total cost* (in ₹ million)	Date of quotation	Validity	Name of vendor
29.	Hydraulic Broaching	INR	1.00	97.10	1	97.10	October 28, 2025	Valid up to April 25, 2026	Tasa Micro Special Purpose Machines Pvt. Ltd.
30.	Automatic Straightening	EURO	102.67	40.65	1	40.65	October 17, 2025	Valid up to April 30, 2026	Cesare Galdabini S.p.A
31.	Rollscan 350-Surface Quality control	EURO	102.67	14.15	1	14.15	October 15, 2025	Valid up to April 30, 2026	Stresstech Oy
32.	Power Honning Machine	EURO	102.67	125.96	1	125.96	October 17, 2025	Valid up to August 01, 2026	Prawema Antriebstechnik Gmbh
33.	Double Spindle Skiving Machine	EURO	102.67	125.67	2	251.35	October 17, 2025	Valid up to August 01, 2026	Prawema Antriebstechnik Gmbh
34.	Laser Welding Cell	EURO	102.67	235.17	1	235.17	October 07, 2025	Valid up to May 06, 2026	EMAG (Chongqing) Intelligent Technology Co., Ltd.
35.	CNC Internal I External Gear Tooth Pointing Machine	INR	1.00	11.45	1	11.45	October 17, 2025	Valid up to August 31, 2026	Ravjeet Engineering Specialities Private Limited
Add: Freight and insurance estimated by management[#]						7.50			
Total						2,605.55			

[#]The Estimated Cost excludes applicable taxes and duties as our Company will be able to avail input tax credit. Further, the purchase of plant and machinery cost includes the freight and insurance cost based on management estimates.

(iv) *Electricals and utilities*

The total estimated cost of electricals and utilities for the Proposed Greenfield Project is ₹50.72 million, exclusive of applicable taxes, as per the Project Report, which we propose to utilize out of the Net Proceeds towards such costs. The estimated costs of electricals and other utilities are provided below:

Sr. No.	Description	Cost per unit* (in ₹ million)	Quantity	Total cost* (in ₹ million)	Name of vendor	Date of quotation	Validity
1.	11KV Supply & Erection	12.31	1	12.31	ETE Electrogears Private Limited	October 24, 2025	Valid up to August 31, 2026
	Safety and testing equipment						
	Power Distribution work						
	Lighting distribution work						
	Lightning BOQ						
	LT Cables & termination						
2.	DG Set	7.00	2	14.00	Sudhir Power Limited	October 28, 2025	Valid up to August 31, 2026
3.	Compressor	4.80	3	14.40	Arya Engineers & Associates	October 30, 2025	Valid up to April 22, 2026
4.	Hoist	0.87	2	1.74	J.R. Enterprises	October 30, 2025	Valid up to April 22, 2026
5.	EOT Crane	2.38	2	4.76	J.R. Enterprises	October 30, 2025	Valid up to April 22, 2026
6.	Fork lifters	1.17	3	3.51	KION India Private Limited	October 25, 2025	Valid up to April 24, 2026
Total				50.72			

* Exclusive of applicable taxes since input tax credit can be claimed.

(v) *Miscellaneous costs*

Our Company has already incurred certain miscellaneous costs which comprised of pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project, amounting to ₹1.02 million, from internal accruals. Further, miscellaneous costs amounting to ₹5.00 million, with respect to the Proposed Greenfield Project which include expenses in relation to design, architect fees, and regulatory approvals, are proposed to be utilized out of the Net Proceeds.

Description	Total Estimated Cost (in ₹ million)	Total estimated cost to be utilised from the Net Proceeds (in ₹ million)
Design, architect fees and approvals related expense*	5.00	5.00
Pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project [#]	1.02	-
Total	6.02	5.00

*Include amount expected to be incurred on architecture fees, design and approvals related expenses in relation to the Proposed Greenfield Project amounting to ₹5.00 million. This is on estimation basis by our Company.

[#]Includes pre-operative expenses related to regulatory approvals and professional fees related to the Proposed Greenfield Project amounting to ₹1.02 million, which has been incurred from internal accruals.

Proposed schedule of implementation

The detailed proposed schedule of implementation of the Proposed Greenfield Project based on the Project Report is set forth below:

S. No.	Particulars	Estimated month and year of commencement	Estimated month and year of completion
1.	Land acquisition	Completed	Completed
2.	Conversion of land into industrial use	Completed	Completed
3.	Building construction and civil work	April, 2026	March, 2028
4.	Installation of plant and machinery	September, 2026	March, 2028
5.	Electricals and utilities	September, 2026	March, 2028
6.	Commercial production	April, 2028	-

While the schedule of implementation mentioned above is achievable, there is no assurance that there would not be any delays. For details in relation to possible risks associated with not meeting the expected schedule of implementation for Proposed Greenfield Project, please refer to the section titled “Risk Factors – We propose to utilize a significant portion of the Net Proceeds towards funding our capital expenditure requirements. As of the date of this Draft Red Herring Prospectus, we have not placed orders for the equipment and machinery intended for setting up of a new manufacturing facility. Any delay in placing such orders, or any inability of the vendors to supply the equipment and machinery in a timely manner, or at all, may lead to time and cost overruns, which could adversely affect our business, prospects and results of operations” on page 51.

Government approvals

In relation to the Proposed Greenfield Project, we are required to obtain material approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as certified by Deepankar Sharma, Chartered Engineer, pursuant to the Project Report. While certain material approvals have already been obtained by our Company, necessary applications for other material approvals will be submitted to the respective authorities in a timely manner as and when project execution progresses.

Our Company has received approval from the Single Window Clearance Agency (SWCA), Directorate of Industries, Government of Himachal Pradesh, for setting up the Proposed Greenfield Project. Accordingly, our Company has acquired the Project Land through internal accruals and registered such land in the name of our Company through a registered conveyance deed dated September 24, 2025. Further, our Company has also obtained the requisite permission under Section 118 of the Himachal Pradesh Tenancy and Land Reforms Act, 1972, from the Department of Revenue, Government of Himachal Pradesh for industrial purpose which also encompasses the approval for change of land use. Accordingly, no separate approval is required from any local authorities for utilising the Project Land for setting up the Proposed Greenfield Facility.

Some material approvals have been obtained while some are granted on the commencement or completion of various activities, as applicable. A summary of material approvals in relation to the Proposed Greenfield Project is set out below:

Sr. No.	Approval description	Authority	Stage at which approval / compliance is required	Status	Approval date
Approvals obtained					
1.	Permission under section 118, Himachal Pradesh Tenancy and Land Reforms Act, 1972	Government of Himachal Pradesh (through the Revenue Department under Section 118 of the H.P. Tenancy and Land Reforms Act, 1972)	-	Obtained	September 16, 2025
2.	Power load (in-Principle approval)	Himachal Pradesh State Electricity Board Limited	-	Obtained	June 28, 2022
3.	NoC for use of land for	Baddi Barotiwala	-	Obtained	October 6,

Sr. No.	Approval description	Authority	Stage at which approval / compliance is required	Status	Approval date
	industrial purposes	Nalagarh Development Authority, Baddi, Solan, Himachal Pradesh			2023
4.	New premises registration with the GST Department	Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance, Government of India.	-	Obtained	October 22, 2025
Approvals applied for					
5.	Building plan approval	Baddi Barotiwala Nalagarh Development Authority, Baddi, Solan, Himachal Pradesh	Intimation regarding acceptance of the application has been received; approval will be required before start of construction.	Applied on March 4, 2024	-
6.	Consent to establish	Himachal Pradesh Pollution Control Board	Approval will be received prior to start of construction	Applied on October 7, 2025	-
Approvals to be applied for at relevant stages when the approval is required					
7.	No objection certificate from fire authority	Director, Department of Fire Services, Government of Himachal Pradesh	Post commissioning of the proposed manufacturing facility	To be applied	-
8.	Consent to operate	Himachal Pradesh State Pollution Control Board	Prior to commissioning of the proposed manufacturing facility	To be applied	-
9.	DG installation certificate	Himachal Pradesh State Electricity Board Limited	At the time of commissioning of the proposed manufacturing facility	To be applied	-
10.	New Electricity Connection application to Sanction load	Himachal Pradesh State Electricity Board Limited	Temporary connection - before start of construction activities Permanent connection - at the time of commissioning of proposed manufacturing facility <i>(our Company has obtained in principle approval dated June 28, 2022 for power load from Himachal Pradesh State Electricity Board Limited which is valid till September 15, 2027)</i>	To be applied	-
11.	Factory license	Labour and Employment Department, Government of Himachal Pradesh	Post commissioning of the proposed manufacturing facility	To be applied	-
12.	Labour registration	Labour and Employment Department, Government of Himachal Pradesh	Post commissioning of the proposed manufacturing facility	To be applied	-
13.	Ground Water (Borewell) Approval	Department of Jal Shakti (Water	At the time of commissioning of the	To be applied	-

Sr. No.	Approval description	Authority	Stage at which approval / compliance is required	Status	Approval date
		Resources Department), Government of Himachal Pradesh	proposed manufacturing facility		

Our Company undertakes to procure all such approvals as and when they are required in accordance with applicable law. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details in relation to possible risks associated with not meeting the expected schedule of implementation for Proposed Greenfield Project, please refer to the section titled *“Risk Factors – We propose to utilize a significant portion of the Net Proceeds towards funding our capital expenditure requirements. As of the date of this Draft Red Herring Prospectus, we have not placed orders for the equipment and machinery intended for setting up of a new manufacturing facility. Any delay in placing such orders, or any inability of the vendors to supply the equipment and machinery in a timely manner, or at all, may lead to time and cost overruns, which could adversely affect our business, prospects and results of operations”* on page 51.

Other confirmations

As on the date of this Draft Red Herring Prospectus, we are yet to place orders or enter into any definitive agreements for the purchase of the above-mentioned plant, machinery and equipment. Further, no second-hand or used machinery or equipment is proposed to be purchased out of the Net Proceeds in relation to the above. For details, see *“Risk Factor –We propose to utilize a significant portion of the Net Proceeds towards funding our capital expenditure requirements. As of the date of this Draft Red Herring Prospectus, we have not placed orders for the equipment and machinery intended for setting up of a new manufacturing facility. Any delay in placing such orders, or any inability of the vendors to supply the equipment and machinery in a timely manner, or at all, may lead to time and cost overruns, which could adversely affect our business, prospects and results of operations”* on page 51.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, since we have not entered into any definitive agreements / raised purchase orders with these vendors, there can be no assurance that the same vendors would be engaged to eventually supply the machinery or equipment or that such supply will be at the same costs. If there is any increase in such costs, the additional costs shall be paid by our Company through various means available to us including internal accruals and debt funding. The quantity of machinery or equipment to be purchased is based on the present estimates of our management and our management shall have the flexibility to deploy such equipment according to the business requirement of such facilities and based on the estimates of its management as per applicable laws. For details, see *“Risk Factor –We propose to utilize a significant portion of the Net Proceeds towards funding our capital expenditure requirements. As of the date of this Draft Red Herring Prospectus, we have not placed orders for the equipment and machinery intended for setting up of a new manufacturing facility. Any delay in placing such orders, or any inability of the vendors to supply the equipment and machinery in a timely manner, or at all, may lead to time and cost overruns, which could adversely affect our business, prospects and results of operations”* on page 51.

3. General corporate purposes

The Net Proceeds will first be utilised for the Objects as set out above. Our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations.

The allocation or quantum of utilisation of funds towards the specific purposes described above will also be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any, subject to applicable laws.

Such general corporate purposes may include, but are not restricted to, the following:

- (i) meeting ongoing general corporate expenses, exigencies and contingencies;

- (ii) marketing and brand building exercises;
- (iii) strategic initiatives and meeting exigencies,
- (iv) payment of commission and/or fees to consultants
- (v) funding working capital requirements of our Company;
- (vi) ongoing general corporate contingencies and expenses incurred in the ordinary course of business, including funding growth opportunities;
- (vii) any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the Companies Act.

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, underwriting commission, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, auditors, the Registrar to the Offer, Banker(s) to the Offer, or any other advisors to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, CRTAs 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.

Except for (a) audit fees of the Statutory Auditors, (b) listing fees; (c) expenses for any corporate advertisements, i.e. any corporate advertisements consistent with past practices of our Company, which will be solely borne by our Company, all costs fees and expenses directly attributable to the Offer shall be borne by the Company and the Selling Shareholders, severally and not jointly, in proportion of gross proceeds received for the issuance of Equity Shares as part of the Fresh Issue and the Offered Shares sold as part of the Offer for Sale, in accordance with Applicable Law. Any Offer expenses paid by our Company on behalf of each of the Selling Shareholders in the first instance will be reimbursed to the Company, by each of the Selling Shareholders to the extent of the Offer related expense. Further, the expenses related to the portion of the Offer for Sale shall be deducted from the proceeds of the Offer for Sale and only the balance amount shall be paid to the Selling Shareholders in the proportion to the respective portion of Offered Shares sold by each of the Selling Shareholder. The Selling Shareholders agree that they shall reimburse our Company, by deduction of amounts lying to the credit of the Public Offer Escrow Account in the manner set out in the cash escrow and sponsor bank agreement, for all expenses undertaken by the Company on their behalf in relation to the Offer in proportion to the Equity Shares offered by each of them as part of the Offer. In the event that the Offer is withdrawn or not completed for any reason, all the costs and expenses (including all applicable taxes) directly attributed to the Offer shall be exclusively borne by our Company and each of the Selling Shareholders in a proportionate manner including but not limited to, the fees and expenses of the BRLMs and the legal counsels in relation to the Offer, except as may be prescribed by SEBI or any other regulatory authority.

The break-up of the estimated Offer expenses are as follows:

(₹ in million)				
Sr. No.	Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
1.	Fees and commissions payable to the Book Running Lead Managers (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Advertising and marketing expenses for the Offer	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽¹⁾	[●]	[●]	[●]
5.	Printing and distribution of Offer stationery	[●]	[●]	[●]
6.	Others			

Sr. No.	Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
	a) Listing fees, SEBI filing fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
	b) Fees payable to legal counsels	[●]	[●]	[●]
	c) Fees payable to industry service provider	[●]	[●]	[●]
	d) Miscellaneous [#]	[●]	[●]	[●]
	Total estimated Offer expenses	[●]	[●]	[●]

* Offer expenses include goods and services tax, where applicable. Amounts will be finalised and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

[#]The other intermediaries to the Offer include Statutory Auditor, Monitoring Agency and [●].

- (1) Selling commission payable to the SCSBs on the portion for RIBs and NIBs which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIBs*	/●] % of the amount allotted (plus applicable taxes)
Portion for NIBs*	/●] % 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 is as captured in the Bid book of BSE or NSE.

- (2) No additional uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the application directly procured by them.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders and Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)

- (3) Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

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

* Based on valid Bid cum Application Forms.

- (4) Brokerage, selling commission and processing/uploading charges on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate members) would be as follows:

Portion for Retail Individual Bidders*	/●] % of the amount allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	/●] % of the amount allotted (plus applicable taxes)

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

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

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed in writing amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Offer.

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

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.

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

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

*Based on valid Bid cum Application Forms

- (7) 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.
- (8) The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Master Circular.

In the event the amount spent towards issue expenses is less than the estimated issue expenses set out above (the “**Unutilised Expense Amount**”), the Unutilised Expense Amount shall be distributed among our Company and each of the Selling Shareholders proportionately in the ratio of the Equity Shares issued by our Company and sold by each Selling Shareholder in the Offer. Our Company shall utilise its portion of the Unutilised Expense Amount towards general corporate purposes, subject to the amount utilised for general corporate purposes not exceeding 25% of the Gross Proceeds of the Offer or towards repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company or financing the capital expenditure requirements in relation to setting up of a new manufacturing facility at Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh.

Interim use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended and until the payment of all Offer expenses, the Offer expenses shall remain in the Public Offer Account. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Gross Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

Our Company shall appoint the Monitoring Agency in accordance with Regulation 41 of the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus with RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds, and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilized in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilized, until the time any part of the Fresh Issue proceeds remains unutilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our financial results. Such heads will include an item-by-item description for all the expense heads and sub-heads disclosed under each of the Objects of the Offer, as set out in this Draft Red Herring Prospectus.

Pursuant to Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such

time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects.

Variation in the Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Notice**”) shall specify the prescribed details and be published in accordance with the Companies Act 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any external agency or any bank/ financial institution.

Other confirmations

Except to the extent of the proceeds received by the Selling Shareholders pursuant to the Offer for Sale, no part of the Net Proceeds will be paid to our Promoters, members of the Promoter Group, Directors, Group Company, Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements/ transactions with our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management or our Group Companies, in relation to the utilisation of the Net Proceeds.

Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer except as set out above.

BASIS FOR THE OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value of the Equity Shares at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 36, 233, 309, and 367, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

High-precision, complex engineered transmission components manufacturer with a strong product portfolio and market leadership across various products;

- We commenced our operations in 1984 with the machining of bull gears and rear axle shafts, and establishment of induction hardening process for the same and have since evolved into a manufacturer of several high-precision, complex engineered transmission components. Over the years, we have strengthened our engineering, product development and technological capabilities, which have allowed us to foray into newer products, resulting in a diverse product portfolio catering to diverse sectors like tractors, construction equipment, electric vehicles, locomotives, windmills and other heavy industries.
- These advances have enabled us to serve as a one-stop shop for a wide range of high-precision, complex-engineered transmission components, with significant market share across various products and sectors.
- We have been able to become an integral part of our customers’ manufacturing supply chains by offering multiple products, increasing our range of products and increasing our share of business with them. Our varied product offerings and continuous product development efforts have enabled us to cater to multiple sectors and customers and enhance our ability to attract new customers.

Track record of consistently building technological capabilities, enabling us to manufacture high-quality, intricate and critical products;

- We are a technology-oriented company that has invested significant capital in machinery to meet geometries and tolerances, ensuring our manufacturing capability remains aligned with the rising precision, strength and durability expectations of the sectors we serve.
- We focus on adopting emerging technologies to enhance operational efficiency and expand our product portfolio in lines with customer expectations and evolving industry standards. Our technologically advanced manufacturing operations allowed us to have a diverse portfolio of more than 700 active parts as of June 30, 2025, out of which, several are single-source parts (Source: 1Lattice Report) which means these parts are exclusively procured from us by our customers, highlighting our value proposition and the trust they place in our ability to deliver specific components.

Diversified business model serving multiple sectors, well-positioned to capitalize on the growing demand for high precision and complex engineered components across various sectors, including EV;

- Our extensive range of products, coupled with our continuous efforts to foray into new products, enables us to cater to various sectors, including tractors, construction equipment, EV, locomotive, windmills and other heavy industries.
- Our product development engineers, qualified in engineering, science and technology, work with customers to design products that meet present specifications and monitor evolving market trends so that new development remains aligned with future demand. With our engineering expertise and product development capabilities, coupled with technologically advanced manufacturing operations, we believe that we are well-positioned to cater to the growing demand from these sectors.

Long-standing relationships with marquee global and domestic OEM customers;

- We have, through over 40 years of business operations, established long-standing relationships with several marquee Indian and global OEM customers across sectors. We have a diversified and increasing customer base across the sectors in which we operate.
- We believe that manufacturing and delivering capabilities, consistent product performance, and maintaining quality standards in the sectors in which we operate are essential in developing and retaining customers. Our strong focus on quality, value proposition, timely delivery of our products and the price competitiveness of our offerings has helped us in establishing and maintaining long-term relationships with our customers and resulted in customer stickiness.
- Our domestic and global customers have stringent selection procedures and product specifications for procurement from third-party suppliers, including in terms of supplier audit, testing, trial runs, periodic reviews and inspections of our procurement, manufacturing, logistical capabilities.

Strategically located manufacturing facilities with end-to-end in-house manufacturing operations; and

- We have nine manufacturing facilities spread across Punjab, Haryana and Himachal Pradesh, covering an aggregate built-up area of over 398,000 square feet on a total area of more than 700,000 square feet. Our manufacturing facilities are strategically located near to the delivery locations of some of our customers.
- Our end-to-end capability of manufacturing products, from in-house forging to machining to heat treatment to post heat treatment machining and packaging, enables us to have quality control at all stages of manufacturing giving the agility to respond to dynamic customer requirements and delivery adherence.

Experienced technocrat promoters and a senior management team with a highly skilled workforce.

- We benefit from the extensive experience of our management team in the precision components manufacturing industry. Their expertise spans operations, business development, and customer relationships.
- Our Promoter's vision, strategic guidance, industry relationships and entrepreneurial ability, and our senior management's execution skills are supported by a large, motivated and skilled workforce. Our workforce is a critical asset, comprising 1,417 permanent employees, of which 1,061 are engineers and machinists, as of June 30, 2025

Quantitative factors

Certain information presented below, relating to our Company, is derived from the Restated Financial Information. For further details, see “Financial Information” on page 309.

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

1. Basic and diluted earnings per share (“EPS”):

Particulars	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Fiscal 2025	2.45	2.45	3
Fiscal 2024	0.75	0.75	2
Fiscal 2023	1.56	1.56	1
Weighted Average	1.74	1.74	-
Period ended June 30, 2025*	1.04	1.04	

*Not annualised

Notes:

- Our Company has sub-divided each of its equity shares bearing face value of ₹10 each into 5 Equity Shares bearing face value of ₹2 each pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. A bonus issuance had been carried out of 5 new shares per every 1 fully paid-up share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. The number of shares used for the calculation of EPS, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of Ind AS 33, as applicable.
- Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- Basic Earnings per Equity Share (₹) = Restated profit for the period / year attributable to equity Shareholders of the Company divided by weighted average no. of Equity Shares outstanding during the period / year
- Diluted earnings per share is calculated by dividing Restated profit for the period/year attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period/year adjusted for the effect of dilutive potential equity shares. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.
- The figures disclosed above are based on the Restated Financial Information of our Company.

2. Price/Earning (“P/E”) ratio in relation to 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 2025	[●]	[●]
Based on diluted EPS for Fiscal 2025	[●]	[●]

[#]To be updated on finalisation of the Price Band.

3. Industry peer group P/E ratio

Particulars	Industry P/E ratio
Highest	69.93
Lowest	23.67
Average	43.37

Notes:

The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

- (i) P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 11, 2025, divided by the Diluted EPS and is sourced from the annual reports / investor presentations or other fillings, as available, for the year ended March 31, 2025 for listed peers submitted to the stock exchanges.

4. Return on Net Worth (“RoNW”)

Particulars	RoNW (%)	Weight
Fiscal 2025	17.47	3
Fiscal 2024	6.46	2
Fiscal 2023	14.54	1
Weighted Average	13.31	-
Period ended June 30, 2025*	6.90	

*Not annualised

Notes:

- (i) Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- (ii) Return on Net Worth (RONW) (%) is calculated as restated profit for the year/ period divided by Net Worth at the end of the period/year.
- (iii) Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation for the financial period/years ended June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

5. Net Asset Value per Equity Share of face value of ₹2 each (“NAV”)

NAV per Equity Share	Amount (₹)
As at March 31, 2025	14.03
As at June 30, 2025	15.06
<i>After the Offer</i>	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
<i>At the Offer Price</i>	[●]

* To be populated once the Price Band and Offer price details are available.

Notes:

- (i) Our company has sub-divided each of its equity shares bearing face value of ₹10 each into 5 Equity Shares bearing face value of ₹2 each pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. A bonus issuance had been carried out of 5 new shares per every 1 fully paid-up share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. The number of shares used for the calculation of Net Asset Value, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of SEBI ICDR regulations, as applicable.
- (ii) Net Asset Value per Equity Share = Net Worth as per the Restated Financial Information divided by Number of equity shares outstanding as at the end of year/period after giving effect to the sub-division and the bonus issuance.
- (iii) Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated statement of assets

and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation for the financial period/years ended June 30, 2025, March 31, 2025, March 31, 2024, and March 31, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations

6. Comparison of key accounting ratios with listed industry peers

The following peer group has been determined based on the companies listed on the Stock Exchanges:

Name of the company	Revenue from Operations (in ₹ million)	Face value per equity share (₹)	Closing price (₹) per equity share	P/E ratio	EPS (Basic) (₹ per share)	EPS (Diluted) (₹ per share)	RoNW (%)	Net Asset Value ("NAV") (₹ per share)
Our Company	5,301.69	2.00	[●]*	[●]*	2.45	2.45	17.47%	14.03
Listed peers								
Bharat Forge Ltd	151,228.03	2.00	1,402.10	69.93	20.05	20.05	12.10%	192.86
Sona BLW Precision Forgings Ltd	35,460.21	10.00	489.80	49.38	9.92	9.92	17.70%	90.79
Happy Forgings Ltd	14,088.95	2.00	1,003.60	35.38	28.39	28.37	15.40%	196.25
Ramkrishna Forgings Ltd	40,341.07	2.00	543.20	23.67	22.95	22.95	11.70%	167.78
Shanthi Gears Ltd	6,046.20	1.00	481.90	38.49	12.52	12.52	23.83%	52.53

* To be updated on finalisation of the Price Band.

Notes:

1. All the financial information for the peer companies mentioned above is on a consolidated basis except for Shanthi Gears which is on a standalone basis and is sourced from the annual reports / investor presentations or other filings, as available, as of or for the year ended March 31, 2025 for listed peers submitted to the stock exchanges.
2. Financial information of our Company has been derived from the Restated Financial Information as of or for the financial year ended March 31, 2025.
3. Closing Price of peers represents the closing market price of equity shares of the listed peer on NSE as on November 11, 2025.
4. Our company has sub-divided each of its equity shares bearing face value of ₹10 each into 5 Equity Shares bearing face value of ₹2 each pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. A bonus issuance had been carried out of 5 new shares per every 1 fully paid-up share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. The number of shares used for the calculation of EPS and NAV, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of Ind AS 33 and ICDR regulations, as applicable.
5. Price/earnings ratio for the peers has been computed based on the closing market price of equity shares on NSE as on November 11, 2025, divided by the diluted earnings per share for financial year ended March 31, 2025.
6. Return on Net Worth (RONW) (%) is calculated as restated profit for the year/ period divided by Net Worth at the end of the period/year
7. Net Asset Value per Equity Share = Net Worth as per the Restated Financial Information divided by Number of equity shares outstanding as at the end of year/period after giving effect to the sub-division and the bonus issuance.

For further details of non-GAAP measures, see "Other Financial Information" on page 365, to have a more informed view.

7. Key Performance Indicators ("KPIs")

The table below sets forth the details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. 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. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational metrics, to make an assessment of our performance in various business verticals and make an informed decision.

The management of our Company has prepared a note that inter-alia takes on record GAAP, Non-GAAP and operational measures identified as KPIs along with the rationale for the classification of each of these KPIs under GAAP, Non-GAAP and operational measures along with the rationale for such classification. The note was placed before the members of our Audit Committee prior to the resolution dated November 18, 2025, approving and

confirming the KPIs disclosed below and certified by our Managing Director, Aman Tandon, on behalf of the management of our Company by way of certificate dated November 18, 2025. The management and the members of our Audit Committee have confirmed that the KPIs disclosed below have been identified and disclosed in accordance with the SEBI ICDR Regulations and the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document (“**KPI Standards**”) and other applicable laws.

Further, the management and members of our Audit Committee have verified the details of all KPIs pertaining to our Company and confirmed that the KPIs pertaining to our Company, as disclosed below, have been identified from the Selected Data as defined in KPI Standards (which also includes the data disclosed to investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus). Further, 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-year period prior to the date of filing of this Draft Red Herring Prospectus. They have also confirmed that no information has been shared with our Promoters and members of Promoter Group in their capacity of holders of relevant securities of our Company during the three years prior to the filing of the Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been verified and certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025, which has been included as part of the “*Material Contracts and Documents for Inspections*” beginning on page 494.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “Our Business”, and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 233 and 367 of this DRHP, respectively. We have described and defined the KPIs, as applicable, in the section “*Definitions and Abbreviations – Key Performance Indicators*” on page 19.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance.

Our Company confirms that we 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 our Board of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; and (ii) complete utilisation of the proceeds of the Offer as disclosed in “*Objects of the Offer*” on page 116, or for such other duration as may be required under the SEBI ICDR Regulations

Details of our KPIs as of and for the period ended June 30, 2025 and Fiscal 2025, Fiscal 2024 and Fiscal 2023:

Sr. No.	Key Performance Indicators (KPIs)	Units	As at and for the three months period ended June 30, 2025*	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Financial Measures						
1	Revenue from Operations ⁽¹⁾	(In Millions)	1,680.34	5,301.69	5,333.24	6,129.38
2	Revenue from operations (% Change) ⁽²⁾	(%)	NA	(0.59)%	(12.99)%	NA
3	EBITDA ⁽³⁾	(In Millions)	317.67	963.05	705.62	768.31
4	EBITDA Margin ⁽⁴⁾	(%)	18.91%	18.16%	13.23%	12.53%
5	PAT ⁽⁵⁾	(In Millions)	93.61	220.64	67.20	140.65
6	PAT Margin ⁽⁶⁾	(%)	5.57%	4.16%	1.26%	2.29%
7	RoCE ⁽⁷⁾	(%)	4.41%*	12.23%	9.04%	10.18%
8	RoNW ⁽⁸⁾	(%)	6.90%*	17.47%	6.46%	14.54%
9	Net Debt to Equity ⁽⁹⁾	(Times)	3.10	3.23	3.23	3.48
10	Fixed Asset Turnover ⁽¹⁰⁾	(Times)	0.88*	2.80	3.03	4.06
11	Cash Conversion Cycle (days) ⁽¹¹⁾	(Days)	199	223	173	132
Operational Measures						
1	Revenue Breakdown (%)					
(a)	- End Use: ⁽¹²⁾					
	Tractors	%	83.30%	82.70%	79.24%	80.35%
	Construction Equipment	%	8.39%	11.32%	14.03%	10.14%
	EV	%	5.60%	4.08%	5.51%	9.33%

Sr. No.	Key Performance Indicators (KPIs)	Units	As at and for the three months period ended June 30, 2025*	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
	Locomotives	%	0.00%	0.00%	0.00%	0.00%
	Windmills and other heavy industries	%	2.71%	1.89%	1.22%	0.18%
(b)	- Geography: ⁽¹³⁾					
	Exports	%	10.94%	9.43%	12.25%	15.06%
	Domestic	%	89.06%	90.57%	87.75%	84.94%
2	Capital Expenditure ⁽¹⁴⁾	(In Millions)	82.89	755.94	467.55	646.55
3	Capital Expenditure % of revenue ⁽¹⁵⁾	%	4.93%	14.26%	8.77%	10.55%

* Not Annualised

Notes:

- Revenue from Operations means the Revenue from Operations for the year/ period as appearing in the Restated Financial Information.
- Revenue from Operations (% Change) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period multiplied by 100
- EBITDA represents the restated profit for the year/ period plus total tax expense, finance cost, depreciation and amortization expense.
- EBITDA Margin (%) is calculated as EBITDA as a percentage of Revenue from Operations.
- Profit after Tax (PAT) is Restated profit for the year/ period as appearing in the Restated Financial Information.
- PAT Margin (%) is calculated as PAT as a percentage of Revenue from Operations.
- Return on Capital Employed(%) is calculated as earnings before interest and taxes (“**EBIT**”) divided by capital employed. EBIT is calculated as Restated profit before tax for the period/year plus finance costs. Capital employed being computed as the sum of total equity and current and non-current borrowings, minus intangible assets, intangible assets under development and deferred tax assets.
- Return on Net Worth (RONW) (%) is calculated as restated profit for the year/ period divided by Net Worth at the end of the period/year.
- Net Debt to Equity (Times) is calculated as net debt divided by total equity. Net debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities minus cash and cash equivalents.
- Fixed Asset Turnover (Times) is calculated as Revenue from Operations for the period / year divided by average net block of property, plant and equipment and capital work in progress.
- Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold (“**COGS**”) multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period / year. Trade payable days is calculated as trade payable divided by COGS multiplied by no. of days in the period / year.
- Revenue breakdown (%) by End Use is calculated as revenue from each end use sector divided by total revenue from sale of products.
- Revenue breakdown (%) by Geography is calculated as revenue from each geography divided by total revenue from sale of products.
- Capital Expenditure (value) is the aggregate of additions to property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and adjustment for movement in capital advances for the period/year.
- Capital Expenditure (%) is calculated as Capital Expenditure (value) divided by Revenue from Operations for the period/year.

Explanation of KPIs

The following table sets forth the explanation for how these KPIs have been used by our Company historically to analyze, track or monitor the operational and/or financial performance:

S. No	Key Performance Indicators	Explanation
1.	Revenue from Operations	Revenue from operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business
2.	Revenue from Operations (% Change)	Growth of revenue from operations represents year-on-year growth of the business operations in terms of revenue from operations generated by our Company
3.	EBITDA	EBITDA provides information regarding the operational efficiency of the business
4.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
5.	PAT	PAT for the year provides information regarding the overall profitability of our business
6.	PAT Margin (%)	PAT Margin is an indicator of the overall profitability and

S. No	Key Performance Indicators	Explanation
		financial performance of our business
7.	RoCE (%)	Return on Capital employed provides how efficiently the Company generates earnings from the capital employed in the business
8.	RoNW (%)	Return on Net Worth provides how efficiently the Company generates profits from shareholders' funds
9.	Net Debt to Equity	Net Debt to Equity is a measure that indicates how much of company assets are financed by debt
10.	Fixed Asset Turnover (x)	Fixed Asset Turnover Ratio measures the efficiency and sweating of our fixed assets in generating revenue or sales
11.	Cash Conversion Cycle (days)	Cash conversion cycle measures how long it takes for a company to convert its investments in inventory and receivables adjusted for payables into cash
12.	Revenue by End Use Segment	This metric enables the company to track the progress of revenues in its four key focus end-use segments of tractors, construction equipment, EV, locomotives, windmills and other heavy industries.
13.	Revenue by Geography	This metric enables the company to track the progress of revenue from sale of products from domestic and exports
14.	Capital Expenditure	Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.
15.	Capital Expenditure (%)	Indicates how much of a company's revenue is being reinvested into long-term physical assets, such as property, plant, and equipment

For details of our other operating metrics, see “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” starting on pages 233 and 367, respectively.

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our 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, when taken collectively with financial statements prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

Comparison of KPIs with our listed peers in India

Set forth below is a comparison of our KPIs with our peer group companies listed in India and operating in the same industry as our Company, whose business profile is comparable to our business in terms of our size and our business model.

Computation of KPIs of our Company: The definitions and method of calculation/computation of our KPIs have been disclosed under “ – Details of our KPIs as of and for the period ended June 30, 2025 and Fiscal 2025, Fiscal 2024 and Fiscal 2023” set forth above.

Period ended June 30, 2025

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	Financial Measures							
1	Revenue from Operations ⁽¹⁾	(In Millions)	1,680.34 ^(a)	39,087.49	8,539.07	3,538.03	10,152.56	1,348.90
2	Revenue from operations (% Change) ⁽¹⁾⁽²⁾	(%)	NA**	NA**	NA**	NA**	NA**	NA**
3	EBITDA ⁽¹⁾	(In Millions)	317.67 ^(c)	6,817.00	2,025.00	1,010.00	1,486.10	NA
4	EBITDA Margin ⁽¹⁾⁽³⁾	(%)	18.91% ^(d)	17.44%	23.71%	28.55%	14.64%	NA
5	PAT ⁽¹⁾	(In Millions)	93.61 ^(e)	2,838.70	1,217.09	656.90	117.86	226.90
6	PAT Margin ⁽¹⁾⁽⁴⁾	(%)	5.57% ^(f)	7.26%	14.25%	18.57%	1.16%	16.82%
7	RoCE ⁽¹⁾⁽⁵⁾	(%)	4.41%* ^(g)	NA	NA	NA	NA	NA
8	RoNW ⁽¹⁾⁽⁶⁾	(%)	6.90%* ^(h)	NA	NA	NA	NA	NA
9	Net Debt to Equity ⁽¹⁾	(Times)	3.10 ⁽ⁱ⁾	0.33	NA	NA	NA	NA
10	Fixed Asset Turnover ⁽¹⁾⁽⁷⁾	(Times)	0.88* ^(j)	NA	NA	NA	NA	NA
11	Cash Conversion Cycle (days) ⁽¹⁾	(Days)	199 ^(k)	NA	NA	NA	NA	NA
	Operational Measures							
1	Revenue Breakdown (%)							
(a)	- End Use: ⁽¹⁾							
	Tractors	%	83.30% ^(l)	NA	NA	NA	NA	NA
	Construction Equipment	%	8.39% ^(l)	NA	NA	NA	NA	NA
	EV	%	5.60% ^(l)	NA	NA	NA	NA	NA
	Locomotives	%	0.00% ^(l)	NA	NA	NA	NA	NA
	Windmills and other heavy industries	%	2.71% ^(l)	NA	NA	NA	NA	NA
(b)	- Geography: ⁽¹⁾							
	-Exports	%	10.94% ^(m)	54.01%	63.00%	16.00%	30.00%	NA
	-Domestic	%	89.06% ^(m)	45.99%	37.00%	84.00%	70.00%	NA

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
2	Capital Expenditure ⁽¹⁾⁽⁸⁾	(In Millions)	82.89 ⁽ⁿ⁾	NA	NA	NA	NA	NA
3	Capital Expenditure % of revenue ⁽¹⁾⁽⁹⁾	%	4.93% ^(o)	NA	NA	NA	NA	NA

Fiscal 2025

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	Financial Measures							
1	Revenue from Operations ⁽¹⁾	(In Millions)	5,301.69 ^(a)	1,51,228.03	35,460.21	14,088.95	40,341.07	6,046.20
2	Revenue from operations (% Change) ⁽¹⁾⁽²⁾	(%)	(0.59)% ^(b)	(3.57)%	11.34%	3.73%	8.90%	12.79%
3	EBITDA ⁽¹⁾	(In Millions)	963.05 ^(c)	27,131.19	9,753.00	4,067.00	5,595.60	1,433.90
4	EBITDA Margin ⁽¹⁾⁽³⁾	(%)	18.16% ^(d)	17.94%	27.50%	28.87%	13.87%	23.72%
5	PAT ⁽¹⁾	(In Millions)	220.64 ^(e)	9,132.75	5,996.88	2,674.36	4,150.25	960.30
6	PAT Margin ⁽¹⁾⁽⁴⁾	(%)	4.16% ^(f)	6.04%	16.91%	18.98%	10.29%	15.88%
7	RoCE ⁽¹⁾⁽⁵⁾	(%)	12.23% ^(g)	15.40%	18.40%	19.20%	6.48%	34.77%
8	RoNW ⁽¹⁾⁽⁶⁾	(%)	17.47% ^(h)	12.10%	17.70%	15.40%	11.70%	23.83%
9	Net Debt to Equity ⁽¹⁾	(Times)	3.23 ⁽ⁱ⁾	0.35	(0.48)	NA	0.66	NA
10	Fixed Asset Turnover ⁽¹⁾⁽⁷⁾	(Times)	2.80 ^(j)	NA	3.40	1.10	NA	7.65
11	Cash Conversion Cycle (days) ⁽¹⁾	(Days)	223 ^(k)	NA	NA	NA	NA	NA
	Operational Measures							
1	Revenue Breakdown (%)							
(a)	- End Use: ⁽¹⁾							
	Tractors	%	82.70% ^(l)	NA	NA	NA	NA	NA
	Construction Equipment	%	11.32% ^(l)	NA	NA	NA	NA	NA
	EV	%	4.08% ^(l)	NA	NA	NA	NA	NA
	Locomotives	%	0.00% ^(l)	NA	NA	NA	NA	NA
	Windmills and other heavy industries	%	1.89% ^(l)	NA	NA	NA	NA	NA
(b)	- Geography: ⁽¹⁾							

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	-Exports	%	9.43% ^(m)	56.30%	71.00%	18.00%	41.60%	9.80%
	-Domestic	%	90.57% ^(m)	43.70%	29.00%	82.00%	58.40%	90.20%
2	Capital Expenditure ⁽¹⁾⁽⁸⁾	(In Millions)	755.94 ⁽ⁿ⁾	6,144.00	4,155.00	NA	NA	NA
3	Capital Expenditure % of revenue ⁽¹⁾⁽⁹⁾	%	14.26% ^(o)	4.06%	11.72%	NA	NA	NA

Fiscal 2024

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	Financial Measures							
1	Revenue from Operations ⁽¹⁾	(In Millions)	5,333.24 ^(a)	1,56,820.71	31,847.70	13,582.36	37,045.45	5,360.50
2	Revenue from operations (% Change) ⁽¹⁾⁽²⁾	(%)	(12.99)% ^(b)	21.47%	19.95%	13.51%	16.02%	20.28%
3	EBITDA ⁽¹⁾	(In Millions)	705.62 ^(c)	25,660.86	9,021.00	3,875.40	7,729.10	1,228.50
4	EBITDA Margin ⁽¹⁾⁽³⁾	(%)	13.23% ^(d)	16.36%	28.33%	28.53%	20.86%	22.92%
5	PAT ⁽¹⁾	(In Millions)	67.20 ^(e)	9,101.59	5,177.76	2,429.84	2,912.13	822.50
6	PAT Margin ⁽¹⁾⁽⁴⁾	(%)	1.26% ^(f)	5.80%	16.26%	17.89%	7.86%	15.34%
7	RoCE ⁽¹⁾⁽⁵⁾	(%)	9.04% ^(g)	16.30%	31.00%	22.70%	19.50%	33.86%
8	RoNW ⁽¹⁾⁽⁶⁾	(%)	6.46% ^(h)	16.60%	28.50%	18.70%	16.30%	23.82%
9	Net Debt to Equity ⁽¹⁾	(Times)	3.23 ⁽ⁱ⁾	0.61	(0.03)	NA	0.34	NA
10	Fixed Asset Turnover ⁽¹⁾⁽⁷⁾	(Times)	3.03 ^(j)	NA	3.60	1.30	1.90	7.43
11	Cash Conversion Cycle (days) ⁽¹⁾	(Days)	173 ^(k)	NA	NA	NA	NA	NA
	Operational Measures							
1	Revenue Breakdown (%)							
(a)	- End Use: ⁽¹⁾							
	Tractors	%	79.24% ^(l)	NA	NA	NA	NA	NA
	Construction Equipment	%	14.03% ^(l)	NA	NA	NA	NA	NA
	EV	%	5.51% ^(l)	NA	NA	NA	NA	NA

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	Locomotives	%	0.00% ^(l)	NA	NA	NA	NA	NA
	Windmills and other heavy industries	%	1.22% ^(l)	NA	NA	NA	NA	NA
(b)	- Geography: ⁽¹⁾							
	-Exports	%	12.25% ^(m)	57.99%	72.00%	19.00%	42.49%	7.50%
	-Domestic	%	87.75% ^(m)	42.01%	28.00%	81.00%	57.51%	92.50%
2	Capital Expenditure ⁽¹⁾⁽⁸⁾	(In Millions)	467.55 ⁽ⁿ⁾	5,089.00	3,191.00	NA	NA	NA
3	Capital Expenditure % of revenue ⁽¹⁾⁽⁹⁾	%	8.77% ^(o)	3.25%	10.02%	NA	NA	NA

Fiscal 2023

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
	Financial Measures							
1	Revenue from Operations ⁽¹⁾	(In Millions)	6,129.38 ^(a)	1,29,102.59	26,550.10	11,965.29	31,928.95	4,456.50
2	Revenue from operations (% Change) ⁽¹⁾⁽²⁾	(%)	NA**	NA**	NA**	NA**	NA**	NA**
3	EBITDA ⁽¹⁾	(In Millions)	768.31 ^(c)	17,764.40	6,958.00	3,409.40	6,923.20	1,010.70
4	EBITDA Margin ⁽¹⁾⁽³⁾	(%)	12.53% ^(d)	13.76%	26.21%	28.49%	21.68%	22.68%
5	PAT ⁽¹⁾	(In Millions)	140.65 ^(e)	5,083.87	3,952.97	2,087.00	2,481.08	670.50
6	PAT Margin ⁽¹⁾⁽⁴⁾	(%)	2.29% ^(f)	3.94%	14.89%	17.44%	7.77%	15.05%
7	RoCE ⁽¹⁾⁽⁵⁾	(%)	10.18% ^(g)	10.20%	30.40%	25.70%	19.30%	32.10%
8	RoNW ⁽¹⁾⁽⁶⁾	(%)	14.54% ^(h)	13.60%	26.60%	23.50%	19.50%	22.18%
9	Net Debt to Equity ⁽¹⁾	(Times)	3.48 ⁽ⁱ⁾	0.54	(0.04)	NA	0.96	NA
10	Fixed Asset Turnover ⁽¹⁾⁽⁷⁾	(Times)	4.06 ^(j)	NA	3.90	1.40	1.90	6.35
11	Cash Conversion Cycle (days) ⁽¹⁾	(Days)	132 ^(k)	NA	NA	NA	NA	NA
	Operational Measures							
1	Revenue Breakdown (%)							

Sr. No.	Key Performance Indicators (KPIs)	Units	Our Company	Bharat Forge Ltd	Sona BLW Precision Forgings Ltd	Happy Forgings Ltd	Ramkrishna Forgings Ltd	Shanthi Gears Ltd
(a)	- End Use: ⁽¹⁾							
	Tractors	%	80.35% ⁽¹⁾	NA	NA	NA	NA	NA
	Construction Equipment	%	10.14% ⁽¹⁾	NA	NA	NA	NA	NA
	EV	%	9.33% ⁽¹⁾	NA	NA	NA	NA	NA
	Locomotives	%	0.00% ⁽¹⁾	NA	NA	NA	NA	NA
	Windmills and other heavy industries	%	0.18% ⁽¹⁾	NA	NA	NA	NA	NA
(b)	- Geography: ⁽¹⁾							
	-Exports	%	15.06% ^(m)	58.87%	71.00%	13.00%	41.50%	7.00%
	-Domestic	%	84.94% ^(m)	41.13%	29.00%	87.00%	58.50%	93.00%
2	Capital Expenditure ⁽¹⁾⁽⁸⁾	(In Millions)	646.55 ⁽ⁿ⁾	3,006.00	3,351.00	NA	NA	NA
3	Capital Expenditure % of revenue ⁽¹⁾⁽⁹⁾	%	10.55% ^(o)	2.33%	12.62%	NA	NA	NA

* Not Annualised

** Not been included as the comparative period figures for FY 2023 and three-months period ended June 30, 2025 has not been included in this Draft Red Herring Prospectus

Computation of KPIs of our Company: The definitions and method of calculation/computation of our KPIs have been disclosed under “ – Details of our KPIs as of and for the period ended June 30, 2025 and Fiscal 2025, Fiscal 2024 and Fiscal 2023” set forth above.

Notes related to the listed peers:

- 1) All the financials for the industry peers mentioned above are on a consolidated basis (unless called out otherwise in notes) and is sourced from the annual reports, audited financial results and investor presentations as available of the respective company for the relevant year submitted to the Stock Exchanges except for Shanthi Gears Ltd. where all metrics are on a standalone basis. NA refers to Not Applicable where the financial information is unavailable i.e. not reported by the industry peers in either their annual reports, audited financial results and investor presentations as submitted to the Stock Exchanges.
- 2) Revenue from Operations (% Change) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations for Bharat Forge Ltd, Sona BLW Precision Forgings Ltd, Happy Forgings Ltd, Ramkrishna Forgings Ltd, Shanthi Gears Ltd.
- 4) PAT Margin refers to PAT divided by Revenue from Operations for Bharat Forge Ltd, Sona BLW Precision Forgings Ltd, Happy Forgings Ltd, Ramkrishna Forgings Ltd, Shanthi Gears Ltd.
- 5) ROCE% for Ramkrishna Forgings Ltd is a standalone metrics for period ended March 31st 2025.
- 6) RoNW% for Bharat Forgings Ltd. is a standalone metrics for all periods.
- 7) Fixed Asset Turnover refers to only manufacturing business for Sona BLW Precision Forgings Ltd. Ramkrishna Forgings Ltd and Shanti Gears Ltd reports the metric as Fixed asset turnover while Happy forgings Ltd reports it as Gross fixed asset turnover.
- 8) Capital Expenditure for Bharat Forge Ltd. is a standalone metric for all periods.

9) Capital Expenditure % refers to Capital Expenditure / Revenue from Operations for Bharat Forge Ltd .and Sona BLW Precision Forgings Ltd.

Notes related to our Company:

- a) Revenue from Operations means the Revenue from Operations for the year/ period as appearing in the Restated Financial Information.
- b) Revenue from Operations (% Change) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period multiplied by 100
- c) EBITDA represents the restated profit for the year/period plus total tax expense, finance cost, depreciation and amortization expense.
- d) EBITDA Margin (%) is calculated as EBITDA as a percentage of Revenue from Operations.
- e) Profit after Tax (PAT) is Restated profit for the year/ period as appearing in the Restated Financial Information.
- f) PAT Margin (%) is calculated as PAT as a percentage of Revenue from Operations.
- g) Return on Capital Employed (%) is calculated as earnings before interest and taxes(“**EBIT**”) divided by capital employed. EBIT is calculated as Restated profit before tax for the period/year plus finance costs. Capital employed being computed as the sum of total equity and current and non-current borrowings, minus intangible assets, intangible assets under development and deferred tax assets.
- h) Return on Net Worth (RONW) (%) is calculated as restated profit for the year/ period divided by Net Worth at the end of the period/year.
- i) Net Debt to Equity (Times) is calculated as net debt divided by total equity. Net debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities minus cash and cash equivalents.
- j) Fixed Asset Turnover (Times) is calculated as Revenue from Operations for the period / year divided by average net block of property, plant and equipment and capital work in progress.
- k) Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold (“**COGS**”) multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period / year. Trade payable days is calculated as trade payable divided by COGS multiplied by no. of days in the period / year.
- l) Revenue breakdown (%) by End Use is calculated as revenue from each end use sector divided by total revenue from sale of products.
- m) Revenue breakdown (%) by geography is calculated as revenue from each geography divided by total revenue from sale of products.
- n) Capital Expenditure (value) is the aggregate of additions to property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and adjustment for movement in capital advances for the period/year.
- o) Capital Expenditure (%) is calculated as Capital Expenditure (value) divided by Revenue from Operations for the period/year.

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods 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.

Justification for Basis for Offer Price

- 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 Equity Shares issued under the employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue 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 (“Primary Issuances”)**

Our Company has not issued Equity Shares or convertible securities during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, excluding the issuance of ESOP and bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

- Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, the members of the Promoter Group or other Shareholders of our Company with rights to nominate directors on our Board during the 18 months preceding the date of filing of this DRHP, where either 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-Issue 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 (“Secondary Transactions”)**

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders having the right to nominate director(s) on the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, 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)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- If there are no such transactions to report under (1) and (2), the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where our Promoters, members of the Promoter Group are a party to the transaction), not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of transactions**

Date of allotment/ transaction	No. of equity shares	Face value per Equity Share (₹)	Issue/ Transaction price per equity share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ in million)
Primary transactions						
September 15, 2025	43,747,500	2.00	NIL	Bonus issue in the ratio of 5:1	NA	NIL
	6,256,250					
	12,494,500					
	6,244,250					
	6,252,500					
Secondary transactions						
March 13, 2024	100	10.00	NIL	Transmission from B.P. Tandon*	NA	NIL
June 11, 2025	(100)	10.00	NIL	Transfer to Anirudh Tandon by way of gift**	NA	NIL

*As certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025.

*Transfer through Transmission from B.P Tandon, B P Tandon's average acquisition price was ₹10 per share.

**Transfer without consideration as gift to Anirudh Tandon.

3. WACA, Floor Price and Cap Price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary issuances and secondary transactions as disclosed below:

Types of Transactions	WACA (₹ per Equity Share)*	No. of times at Floor Price (i.e., ₹ [●])**^	No. of times at Cap Price (i.e., ₹ [●])**^
A. <u>Primary Issuances:</u> Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	[●] times	[●] times
B. <u>Secondary Transactions</u> Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares (equity/convertible securities), where promoter/promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	[●] times	[●] times

Since there were no primary transactions or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions (secondary transactions where our Promoters / the members of the Promoter Group, or other Shareholders of our Company with rights to nominate directors on our Board are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of the transaction

Based on Primary Issuances	NA^	[●] times	[●] times
Based on Secondary Transactions	NA^	[●] times	[●] times

* As certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025.

**Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated at the Prospectus stage.

^ Since there are no transactions excluding gift and transmission of shares and shares issued pursuant to the bonus issuance

4. **Detailed explanation for Offer Price/ Cap Price being [●] times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for period ended June 30, 2025, Fiscals 2025, 2024 and 2023:**

[●]*

*To be included upon finalization of the Price Band.

5. **Explanation for the Offer Price/Cap Price, being [●] times of WACA 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 upon finalisation of the Price Band.

6. **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 BRLMs, on the basis of market demand from Bidders for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 233, 309 and 367, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “*Risk Factors*” on page 36 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: November 17, 2025

To,
The Board of Directors
Milestone Gears Limited
58, Sector 1, Industrial Area,
Parwanoo, District Solan – 173 220,
Himachal Pradesh, India

Sub: Proposed initial public offering (the “IPO”) of equity shares of face value of ₹2 each (the “Equity Shares”) of Milestone Gears Limited (the “Company” and such offer, the “Offer”)

Dear Sir/Madam,

We, J.R. Khanna & Co, the Statutory Auditors of the Company, hereby confirm that the enclosed **Annexure 1 and Annexure 2**, prepared by the Company Milestone Gears Limited and initialled by us for identification purpose (“**Statement**”) for the Offer, provides the possible special tax benefits available to the Company, and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, Income-tax Rules, 1962, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, and its shareholders, the same would include those benefits as enumerated in the **Annexure 1 and Annexure 2**. Any benefits under the taxation laws other than those specified in the **Annexure 1 and Annexure 2** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure 1 and Annexure 2** have not been examined and covered by this statement.

The preparation of the accompanying statement is accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the statement, applying an appropriate basis of preparations that is reasonable in the circumstances.

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

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

- the Company or its shareholders will continue to obtain these benefits in the future; or
- the conditions prescribed for availing of the benefits, where applicable have been/would be met with

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

We have conducted our review in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“**ICAI**”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company. We also consent to the inclusion of this letter as a part of “*Material Contracts and Documents for Inspection*” in connection with the Offer, which will be available for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date. We further consent to the submission of this letter on the Stock Exchanges’ repository platform.

We have carried out our work based on Restated Financial Information, other documents, information available in public domain and information provided to us by the Company, which has formed a substantial basis for this Statement. While we use reasonable efforts to furnish accurate and up-to-date information, we do not warrant that any information contained in or made available through company or public domain is accurate, complete, reliable, current or error-free. Any change in the information made available to us by the Company which forms a substantial basis of our verification, subsequent to the issuance of this Statement has not been considered.

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.

This Statement is for information and for inclusion in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in sole relation to the Offer. We hereby consent to (i) the submission of this certificate as may be necessary to the SEBI, the RoC, the relevant stock exchanges and any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law; and (ii) the disclosure of this certificate if required by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority; or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We confirm that on obtaining or gaining of any relevant and material information in the abovementioned position from the Company, we will immediately update you in writing of any changes in the abovementioned position, immediately upon us becoming aware until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully

For J.R.Khanna and Co.

ICAI Firm Registration Number: 004315N

Anil Khanna

Proprietor

Membership No.: 083275

Place: Chandigarh

UDIN: 25083275BMGYQK2566

ANNEXURE 1 TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO MILESTONE GEARS LIMITED (“THE COMPANY”), AND ITS SHAREHOLDERS

Outlined below are the special tax benefits available to Milestone Gears Limited (‘the Company’) and its Shareholders under the Income Tax Act, 1961 (herein after referred to as ‘the Act’), as amended by the Finance Act, 2023 read with the Income-tax Rules, 1962, applicable for the Financial Year (‘FY’) 2024-25 relevant to Assessment Year (‘AY’) 2025-26

1. Special direct Tax benefits available to the company under the Act

A Lower corporate tax rate under Section 115BAA of the Act

A new Section 115BAA had been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. FY 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives.

The Amendment Act, 2019 further provided that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT had further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

The Company has opted for the beneficial tax rate under section 115BAA of the Act from FY 2023- 24 onwards. As the Company has opted for the beneficial tax rate introduced by the ordinance, they are not eligible to avail the exemptions/ incentives as specified under Section 115BAA of the Act. Further, the option once exercised by the Company cannot be subsequently withdrawn for the same or any other FY.

B. Deductions from Gross Total Income

Section 80JJAA: Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction u/s 80JJAA of the Act shall be applicable even if the Company avails the benefits of the special rate u/s 115BAA of the Act

2. Special direct tax benefits available to the Shareholders

A. Higher cost of acquisition benefit in relation to long term capital asset being shares of a company referred to in section 112A of the Act

A new section 55(2)(ac) of the Act has been inserted to provide grandfathering of gains on the specified assets (as defined u/s 112A of the Act) acquired prior to 1 February 2018. The Cost of 140 acquisition would be higher of:-

- a) Cost of acquisition and
- b) Lower of
 - Fair market value* of such shares
 - Full value of consideration received or accruing as result of transfer of capital asset

* ‘fair market value’ means —

In a case where the capital asset is an equity share in a company which is not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer, an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later.

B. Exemption from Interest under Sections 234B and 234C

Under the provisions of Section 207(2) of the Income-tax Act, 1961, a resident individual, being a **senior citizen** (i.e., an individual who is 60 years of age or more at any time during the relevant previous year), **who does not have any**

income chargeable under the head “Profits and Gains of Business or Profession”, is not liable to pay advance tax. Accordingly, such senior citizens are not subject to payment of interest under Section 234B (for default in payment of advance tax) and Section 234C (for deferment of advance tax) of the Income-tax Act, 1961.

C. Tax Treatment under Section 111A

Under Section 111A of the Income-tax Act, 1961, short-term capital gains arising from the transfer of listed equity shares, units of equity-oriented mutual funds, or units of business trusts—provided such transfer is made on a recognized stock exchange and is subject to Securities Transaction Tax (STT)—are taxable at concessional rates. Previously, such gains were taxed at **15%**, but following the changes introduced by the **Finance Act, 2024**, the rate has been revised to **20%, effective for transfer transactions made on or after July 23, 2024** (plus applicable surcharge and cess).

D. **Concessional Tax Regime under Section 115BAC**

Pursuant to Section 115BAC of the Act, individual and Hindu Undivided Family (HUF) shareholders have the option to be taxed at **concessional slab rates**. With effect from April 1, 2023 (Assessment Year 2024-25 onwards), the concessional regime under Section 115BAC(1A) has been made the **default regime**. Under this regime:

- Income is taxable at reduced slab rates (5%, 10%, 15%, 20%, 25%, and 30%).
- Standard deduction on salary/pension and deduction in respect of family pension (u/s 57) are available.
- Deductions under Chapter VI-A (such as 80C, 80D, 80G, etc.) are generally not available.

Shareholders may accordingly avail concessional taxation on their total income, subject to fulfillment of prescribed conditions.

NOTES:

1. The above statement of possible special tax benefits sets out the provisions of Direct Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company. The above are based on the existing provisions of the Direct Tax Laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of the above.
3. The above statement of possible special tax benefits is as per the current direct Direct Tax Laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
7. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

ANNEXURE 2 TO THE STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO MILESTONE GEARS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications (“GST law”), the Customs Act, 1962 and the Customs Tariff Act, 1975 as amended by the Finance Act 2023 applicable for the Financial Year 2024-25 (“Customs law”) and Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2015-20) and Foreign Trade Policy 2023 (FTP) and Industrial and Business Development Policy -2017 read with relevant rules, notifications and circulars, each as amended and presently in force in India (herein collectively referred as “Indirect Tax Laws”)

1. Special indirect tax benefits available to the Company

A. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962: As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. The Company avails duty drawback benefit equal to or less than the duty paid, as applicable, on imported material when it undertakes export of goods.

B. The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India’s manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty.

Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization.

EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

C. Benefits of Remission of Duties and Taxes on Export Products (“RoDTEP”) Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20): The Government of India by making amendment in the Foreign Trade Policy 2015-20 vide DGFT Notification No. 19/2015-20 dated 17.08.2021 introduced this scheme which provides rebate of all hidden Central, State, and Local duties/taxes/levies on the exported goods including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product, which have not been refunded under any other existing scheme. The Company avails RoDTEP benefit as notified, on exported products.

D. Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder): Under the GST regime, supplies of goods or services which qualify as ‘export’ of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax (“IGST”) subject to fulfilment of conditions prescribed. The exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking (“LUT”) without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

2. Special indirect tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. The above statement of special tax benefits is based on the best understanding of the Company’s business landscape and tax benefits available to the Company and its shareholders under the current Indirect Tax Laws presently in force in India.
2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax

laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. This statement does not discuss any tax consequences in the country outside India of an investment in the equity shares of the Company ("Equity Shares"). The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible indirect-tax consequences that apply to them.
4. The above statement covers only above-mentioned Indirect Tax Laws benefits and does not cover any income tax law benefits or benefit under any other law.
5. During the period from 1 April 2023 to the date of this Annexure, the Company intends to:
 - 1) avail above mentioned exemption, benefits and incentives under Indirect Tax Laws
 - 2) export goods and/ or services outside India 3) import goods and/ or services from outside India
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
7. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

SECTION V – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “**Gears and precision components industry report**” dated November 2025 (the “**1Lattice Report**”) prepared and issued by Lattice Technologies, appointed by us pursuant to an engagement letter dated July 7, 2025 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular Calendar Year/ Fiscal refers to such information for the relevant Calendar Year/ Fiscal. The 1Lattice Report will form part of the material documents for inspection and a copy of the 1Lattice Report is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>. 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. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the 1Lattice Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. References to various segments in the 1Lattice Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the 1Lattice Report. For further information, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 72. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 21.

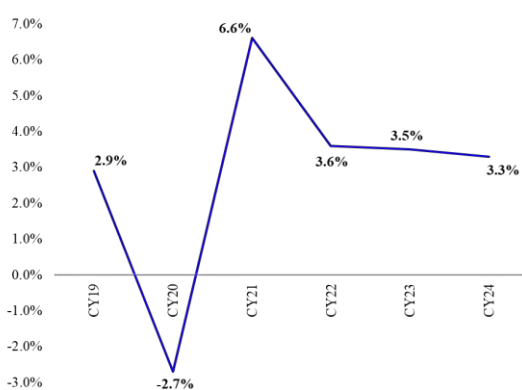
Macroeconomic overview of the Global economy

Gross domestic product (GDP) and GDP growth, including forecasts, growth drivers & policies

Global GDP growth rebounded sharply to 6.6% in Calendar Year 2021 before moderating to 3.6% in Calendar Year 2022 & 3.3% in Calendar Year 2024

Following the COVID-19 pandemic, the global economy saw a quick rebound. This recovery was mainly due to large fiscal spending, the normalisation of supply chains, and a spike in consumer demand as restrictions eased and vaccination efforts increased. The restart of global trade and the removal of lockdowns helped reverse much of the GDP drop seen in Calendar Year 2020. After decreasing by about -2.7% in Calendar Year 2020, the world economy grew by 6.6% in Calendar Year 2021. This growth moderated to 3.6% in Calendar Year 2022 and dipped slightly to 3.3% in Calendar Year 2024. However, this recovery was uneven across regions, with advanced economies typically doing better than emerging markets. Global growth has slowed recently, marked by high interest rates, tighter financial conditions, and geopolitical tensions, including the Russia-Ukraine war, unrest in the Middle East, and US-China trade issues.

Global real GDP growth – Historical
(Y-o-Y growth %, CY19-24)



Source(s): International Monetary Fund, Industry reports, 1Lattice analysis

Growth drivers

Fiscal stimulus

- Automatic stabilizers and enacted fiscal stimulus measures significantly helped reduce the economic damage caused by the COVID-19 pandemic
- During the second, third, and fourth quarters of CY20, these fiscal policy actions directly boosted real GDP by an average of ~4%

Infrastructure spending

- Post-COVID recovery plans often included large-scale investment in roads, energy, healthcare, and digital infrastructure. For instance, the US announced a US\$ 1.2T infrastructure bill
- Infrastructure projects created millions of jobs and spurred demand for raw materials and services, which further stimulated economic activity

Post-covid consumption recovery

- As lockdowns lifted, pent-up consumer demand surged, especially as people began spending more on travel, shopping, and entertainment, things they missed during lockdowns
- This helped revive sectors like hospitality, aviation, retail, and restaurants, which were among the worst-hit during the pandemic

Policies supporting GDP growth post-COVID:

- Pandemic relief programs:** The IMF provided financial assistance and debt-service relief to member countries affected by the economic impact of the COVID-19 pandemic between March 2020 and March 2022. Similarly, emergency measures such as the CARES Act in the US, along with comparable initiatives in other countries, offered essential support to households and businesses, helping them navigate severe economic disruptions.

- **Supply chain resilience plans:** The pandemic caused severe global supply chain disruptions—halting production, disrupting logistics, and destabilising supply and demand—with 94% of companies reporting COVID-related interruptions. As a result, companies began adopting regionally diversified supply chains to reduce dependency on single geographies, enhance flexibility, and build resilience against future shocks.
- **Interest rate adjustments by central banks:** In response to the outbreak, many central banks worldwide, including the U.S. Federal Reserve, reduced interest rates to support economic activity. Lower rates reduced the cost of borrowing, encouraging businesses and households to take loans and increase spending, thereby supporting economic growth.

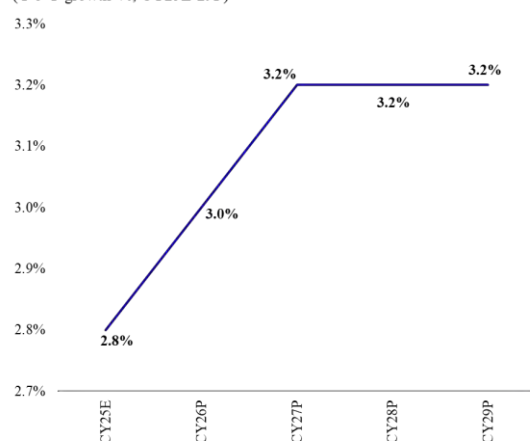
Global GDP growth is set to remain stable at 2.8 to 3.2% from Calendar Year 2025 to 2029 amid structural shifts, digitisation, & green investments

Global real GDP growth is expected to remain moderate but positive compared to the post-pandemic rebound, likely ranging between 2.8% and 3.2% from Calendar Year 2025 to Calendar Year 2029. This outlook is supported by several growth drivers, particularly in emerging markets.

- Industrial rebalancing is driving a shift toward higher value-added manufacturing and more resilient supply chains. Countries such as Vietnam, Thailand, and India are attracting increased investment to build diversified manufacturing hubs. Improvements in infrastructure and labour reforms are helping these nations move beyond low-cost assembly into higher value-added production, including electronics and automotive components.
- Rapid digitisation is enhancing productivity and creating new economic opportunities. For example, in Africa, platforms like Jumia and Alibaba allow businesses to reach global consumers directly, bypassing traditional trade intermediaries and significantly expanding their market access.
- Significant investments in renewable energy are supporting the transition toward greener economies and improving energy security. Solar photovoltaics (PV) remain the largest global investment focus, with projected spending of about USD 450 billion in Calendar Year 2025 across both utility-scale and rooftop solar projects.
- Trade diversification, through new agreements and regional integration, is reducing dependence on traditional partners and creating new markets. For instance, African countries relied heavily on China for trade, causing supply chain disruptions during China's COVID-19 lockdowns; to reduce such risks, countries like South Korea have diversified their trade partners across multiple regions, helping them better withstand trade conflicts like the U.S.-China trade war.

While risks such as geopolitical tensions, inflationary pressures, and climate-related disruptions persist, these growth drivers position emerging markets—including India, Vietnam, and several African economies—to outperform global averages. As a result, overall global GDP growth is expected to remain positive during this period.

Global real GDP growth – Outlook
(Y-o-Y growth %, CY25E-29P)



Note(s): E - Estimated, P - Projected
Source(s): International Monetary Fund, Industry reports | Lattice analysis

Growth drivers



Green economy push

- Governments and corporates are prioritizing sustainability, leading to significant investments in renewable energy, electric vehicles, and circular economy initiatives
- Global energy investment is expected to hit a record US\$ 3.3T in CY25, with clean energy attracting twice the funding of fossil fuels despite geopolitical tensions and economic uncertainties



AI & automation

- Widespread deployment of AI & automation is enhancing efficiency, reducing costs, and creating new growth opportunities across sectors
- AI could boost global GDP by up to ~14% or US\$ 15.7T by CY30, with China and North America seeing the largest gains, particularly in retail, finance, and healthcare, due to increased productivity, quality, and consumption



Capex recovery in emerging markets

- Despite a decline in global capital flows, emerging markets have shown strong resilience, maintaining steady capital inflows amid global monetary tightening
- In CY23, net capital inflows into emerging markets (excluding China) reached US\$ 110B, or 0.6% of GDP, the highest level recorded since CY18

Policies supporting GDP growth in future:

- **Clean energy subsidies:** Many countries are promoting renewable energy and strengthening related infrastructure through subsidies, tax incentives, and grants. In the evolving global energy landscape, hydrogen has become a key element of the clean energy transition. The EU's Clean Industrial Deal, launched in Calendar Year 2025, aims to add 100 GW of renewable energy capacity annually until Calendar Year 2030. This initiative is supported by subsidies from the Innovation Fund and a new Industrial Decarbonisation Bank, both designed to make clean energy more affordable for industrial

sectors.

- **Trade diversification strategies:** Several countries have successfully diversified their economies by reducing dependence on a single export and expanding into new sectors. For example, Chile has broadened its export mix beyond copper to include fruits and wine. Rwanda rebuilt its economy after the Calendar Year 1994 genocide by expanding its coffee, tea, and tourism sectors. Ethiopia reduced its reliance on coffee by developing its textile and garment industries, which helped create jobs and attract foreign investment.
- **Digital infrastructure investments:** Investments in digital infrastructure—such as high-speed internet, data centres, and 5G networks—are enabling digital services, smart cities, and financial inclusion, particularly in emerging economies. In Latin America, 98% of companies have initiated their digital transformation journeys, with 80% actively implementing or optimising their strategies.

GDP growth of key advanced & emerging economies - historical & outlook

India led GDP growth, peaking at 9.7% in Calendar Year 2021 whereas China's GDP stabilised to 5% in Calendar Year 2024

From Calendar Year 2019 to Calendar Year 2024, several advanced and emerging economies experienced significant shifts in real GDP growth. The COVID-19 pandemic in Calendar Year 2020 caused sharp economic contractions across all major economies. India rebounded strongly after its steep decline in Calendar Year 2020 and recorded the highest growth rates among these countries, peaking in Calendar Year 2021. China's growth slowed but remained positive, stabilising at around 5% by Calendar Year 2024. The USA recovered steadily after its contraction in Calendar Year 2020 and maintained moderate growth in the subsequent years.

In contrast, the UK and Germany faced persistent challenges—including supply bottlenecks and energy shocks—that weakened their recoveries and resulted in sluggish or even negative growth in some years, such as Germany's -0.2% in Calendar Year 2024. Overall, these trends indicate that emerging economies such as Brazil, India, China, Indonesia, and Russia are outpacing several advanced economies, including Australia, Canada, the USA, the UK, and Germany, in driving global economic growth.

Real GDP growth across key advanced economies – Historical
(Y-o-Y growth %, CY19-24)

Top economies	 Australia	 Canada	 USA	 UK	 Germany
CY19	1.9%	1.9%	2.6%	1.6%	1.0%
CY20	-2.0%	-5.0%	-2.2%	-10.3%	-4.1%
CY21	5.4%	6.0%	6.1%	8.6%	3.7%
CY22	4.1%	4.2%	2.5%	4.8%	1.4%
CY23	2.1%	1.5%	2.9%	0.4%	-0.3%
CY24	1.0%	1.5%	2.8%	1.1%	-0.2%

Real GDP growth across key emerging economies – Historical
(Y-o-Y growth %, CY19-24)

Top economies	 Brazil	 China	 India	 Indonesia	 Russia
CY19	1.2%	6.1%	3.9%	5.0%	2.2%
CY20	-3.3%	2.3%	-5.8%	-2.1%	-2.7%
CY21	4.8%	8.6%	9.7%	3.7%	5.9%
CY22	3.0%	3.1%	7.6%	5.3%	-1.4%
CY23	3.2%	5.4%	9.2%	5.0%	4.1%
CY24	3.4%	5.0%	6.5%	5.0%	4.1%

Source(s): International Monetary Fund, IILattice analysis

India is set to lead global GDP growth with over 6% annually, while China is expected to slow down to 3.7 to 4%

India is set to lead global GDP growth with annual expansion exceeding 6%, while China is projected to moderate to 3.7%–4%. Between Calendar Year 2025 and Calendar Year 2029, India is expected to achieve the highest and most stable real GDP growth among major emerging economies, consistently exceeding 6% per year. In contrast, China's growth—while still stronger than that of most developed nations—is projected to gradually ease from around 4% to 3.7% over the same period.

Developed economies such as Australia, Canada, the USA, the UK, and Germany are likely to witness modest growth, reflecting structural maturity and demographic challenges. This marks a broader shift in the global economic landscape, where emerging markets—including Brazil, India, China, Indonesia, and Russia—are becoming key contributors to global growth. Supported by strong domestic consumption, favourable demographics, and ongoing supply chain diversification, these regions continue to attract significant interest from global manufacturers and investors seeking to capitalise on rising consumer demand and long-term economic potential.

Real GDP growth across key advanced economies – Outlook
(Y-o-Y growth %, CY25E-29P)

Top economies	Australia	Canada	USA	UK	Germany
CY25E	1.6%	1.4%	1.8%	1.1%	0.0%
CY26P	2.1%	1.6%	1.7%	1.4%	0.9%
CY27P	2.3%	1.7%	2.0%	1.5%	1.5%
CY28P	2.3%	1.6%	2.1%	1.5%	1.2%
CY29P	2.3%	1.6%	2.1%	1.4%	1.0%

Note(s): E - Estimated, P - Projected
Source(s): International Monetary Fund, I.Lattice analysis

Real GDP growth across key emerging economies – Outlook
(Y-o-Y growth %, CY25E-29P)

Top economies	Brazil	China	India	Indonesia	Russia
CY25E	2.0%	4.0%	6.2%	4.7%	1.5%
CY26P	2.0%	4.0%	6.3%	4.7%	0.9%
CY27P	2.2%	4.2%	6.5%	4.9%	1.1%
CY28P	2.3%	4.1%	6.5%	5.0%	1.1%
CY29P	2.4%	3.7%	6.5%	5.1%	1.2%

Global inflation & forecasts

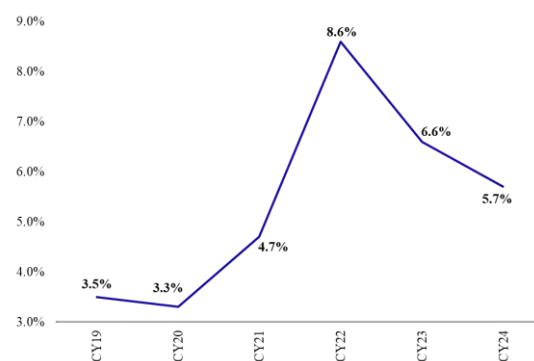
Global inflation peaked at 8.6% in Calendar Year 2022 due to supply shocks and energy costs, easing to 5.7% in Calendar Year 2024 & remaining well above pre-pandemic levels

Between Calendar Year 2019 and Calendar Year 2024, global inflation remained relatively stable until the onset of the COVID-19 pandemic. In the early phase of the pandemic, demand collapsed and oil prices fell sharply. However, as economies reopened after Calendar Year 2020, demand recovered much more quickly than supply, resulting in significant supply chain bottlenecks and rising input costs.

Inflationary pressures increased substantially from Calendar Year 2021 onward, driven by surging energy and commodity prices. Geopolitical tensions—particularly the Russia-Ukraine war—further aggravated inflation by disrupting global food and fuel supply chains. As a result, global inflation surged to 8.6% in Calendar Year 2022, up from 4.7% in Calendar Year 2021.

The world experienced both **demand-pull inflation**, fuelled by large-scale government spending and accommodative monetary policies, and **cost-push inflation**, caused by supply shortages and elevated production costs. While inflation began to ease in the second half of Calendar Year 2022, it remained significantly above pre-pandemic levels, averaging 6.6% in Calendar Year 2023 and 5.7% in Calendar Year 2024.

Global inflation rate, avg. consumer prices - Historical
(Y-o-Y growth %, CY19-24)



Source(s): International Monetary Fund, I.Lattice analysis

Global inflation is expected to stabilise around 3.2 to 3.3% by improving cost visibility & stimulating long-term investment in capital goods & manufacturing

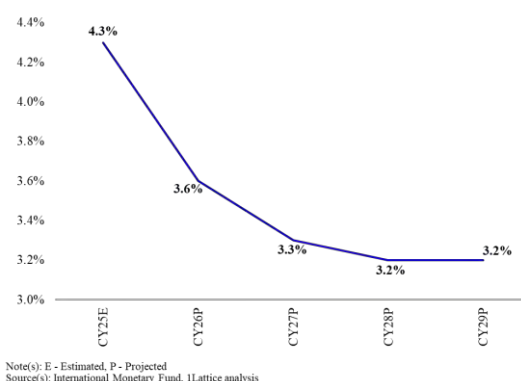
Between Calendar Year 2025 and Calendar Year 2029, inflation across major economies is expected to return to more typical and stable levels after a prolonged period of volatility. Starting from an estimated 4.3% in Calendar Year 2025, inflation is projected to decline to 3.6% in Calendar Year 2026 and then stabilise at around 3.2–3.3% through Calendar Year 2029.

This normalisation indicates a shift toward more predictable and moderate price increases, enabling businesses to better anticipate and manage costs. Improved visibility into future expenses reduces uncertainty and financial risk, particularly when planning large-scale or long-term investments.

A stable inflation environment is especially beneficial for capital goods and manufacturing sectors, where projects require significant upfront expenditure and typically generate returns over extended periods. As inflation stabilises and interest rates

gradually move toward their long-term equilibrium, businesses are more likely to invest in new equipment, expand production capacity, and undertake other capital-intensive initiatives—supporting broader economic growth and industrial modernisation.

Global inflation rate, avg. consumer prices - Outlook
(Y-o-Y growth %, CY25E-29P)



Inflation - World, advanced economies, emerging economies

Global inflation remains a critical macroeconomic lever influencing interest rates, investment decisions & industrial cost structures worldwide

Global inflation continues to play a central role in shaping monetary policy, investment planning, and industrial cost structures. In Calendar Year 2025, global inflation is expected to ease to 4.3%, down from 5.7% in Calendar Year 2024. This moderation is largely driven by softening global demand, the lagged effects of earlier monetary tightening by central banks, and broadly stable commodity prices.

Despite this improvement, inflation in many countries remains above pre-pandemic levels, and the pace of moderation will differ across regions. In economies that have imposed new tariffs, inflationary pressures may rise again due to fresh supply shocks, even as weaker domestic demand brings down some price pressures. Developed markets are gradually seeing inflation move closer to central bank targets, but regional disparities are becoming increasingly evident. These differences are shaped by varying trade policies, fiscal responses, and currency movements.

Inflation in advanced economies is moderating, while emerging markets show mixed trends with lingering vulnerabilities & regional divergences

- Inflation trend across advanced economies:** Inflation across advanced economies is moderating after peaking in Calendar Year 2022, creating room for monetary policy stabilisation and a gradual improvement in business sentiment. From a high of 8.6% in Calendar Year 2022, global inflation is expected to fall to 4.3% by Calendar Year 2025E. Economies such as Germany and the UK—both heavily impacted during the inflation spike—have seen a significant cooling of prices due to tighter monetary policies and declining energy costs. However, inflation in Calendar Year 2025E is still above pre-pandemic levels, suggesting that full price stability is yet to be achieved. Differences in policy responses, wage dynamics, and exchange rate movements continue to create divergence in inflation trajectories across regions, even as the broader disinflation trend strengthens.
- Inflation trends across emerging economies:** Inflation trends across emerging markets from Calendar Year 2019 to Calendar Year 2025 highlight the lingering effects of COVID-19 and continued vulnerability to global price shocks. The pandemic triggered sharp inflationary surges in several economies, with Brazil rising from approximately 3.2% to around 9.3% between Calendar Years 2020 and 2022, and Russia increasing from 3.4% to 13.7% over the same period. India saw a more moderate rise, from 6.2% in Calendar Year 2020 to 6.7% in Calendar Year 2022, while Indonesia's inflation remained relatively contained, fluctuating between 2.0% and 4.1%. These inflationary spikes reflect the pass-through effects of supply chain disruptions, currency depreciation, and rising global commodity prices. China remained an outlier, with inflation staying below 2.5% throughout the period, and it is further expected to fall to 0.0% in Calendar Year 2025E. Looking ahead to Calendar Year 2025, inflation is expected to remain elevated in Russia (approximately 9.3%) and Brazil (approximately 5.3%), while India (approximately 4.2%) and Indonesia (approximately 1.7%) are likely to maintain greater stability.

Inflation rate, avg. consumer prices
(Y-o-Y growth %, CY19-25E)

Year	World	Advanced economies					Emerging economies				
		Australia	Canada	Germany	UK	US	Brazil	China	India	Indonesia	Russia
CY19	3.5%	1.6%	1.9%	1.4%	1.8%	1.8%	3.7%	2.9%	4.8%	2.8%	4.5%
CY20	3.3%	0.9%	0.7%	0.4%	0.9%	1.3%	3.2%	2.5%	6.2%	2.0%	3.4%
CY21	4.7%	2.8%	3.4%	3.2%	2.6%	4.7%	8.3%	0.9%	5.5%	1.6%	6.7%
CY22	8.6%	6.6%	6.8%	8.7%	9.1%	8.0%	9.3%	2.0%	6.7%	4.1%	13.7%
CY23	6.6%	5.6%	3.9%	6.0%	7.3%	4.1%	4.6%	0.2%	5.4%	3.7%	5.9%
CY24	5.7%	3.2%	2.4%	2.5%	2.5%	3.0%	4.4%	0.2%	4.7%	2.3%	8.4%
CY25E	4.3%	2.5%	2.0%	2.1%	3.1%	3.0%	5.3%	0.0%	4.2%	1.7%	9.3%

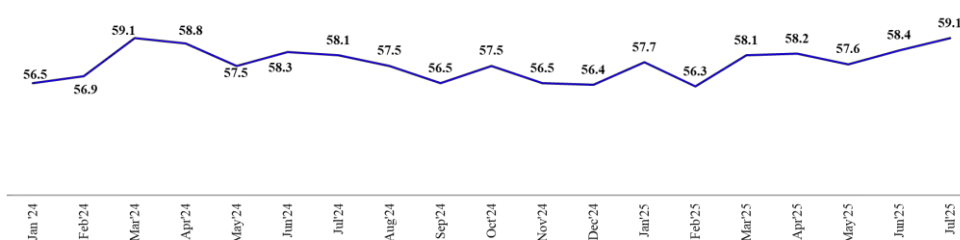
Source(s): International Monetary Fund, IILattice analysis

Macroeconomic overview of the Indian economy

India's manufacturing PMI stayed above 50 throughout Calendar Year 2024 to 2025*, peaking at approximately 59.1 in Mar'24 & Jul'25

India's Manufacturing PMI—an indicator of the health of the manufacturing sector based on monthly surveys of purchasing managers, where readings above 50 indicate expansion and readings below 50 indicate contraction—has consistently remained in the expansion zone from January Calendar Year 2024 to July Calendar Year 2025, reflecting sustained industrial growth. The index peaked at 59.1 in both March 2024 and July 2025, underscoring strong manufacturing momentum. Even during periods of moderation, the PMI stayed above 56, supported by steady new orders, robust production activity, and improving business confidence, highlighting the resilience of India's manufacturing ecosystem.

Manufacturing PMI - India
(M-o-M, CY24-25)

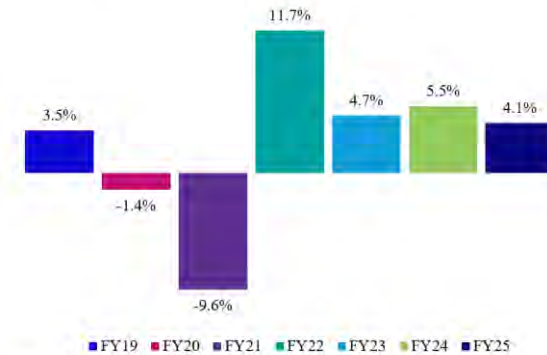


Note(s): *Data for CY25 is available till July 2025, based on latest month-on-month figures
Source(s): Ministry of Statistics and Programme Implementation (MoSPI), IILattice analysis

Manufacturing IIP growth rebounded post-COVID, now stabilising at approximately 4 to 5%

The Index of Industrial Production (IIP) is an economic indicator that measures changes in the volume of production across the manufacturing, mining, and electricity sectors. India's manufacturing IIP grew by approximately 3.5% in Fiscal 2019, before contracting to -1.4% in Fiscal 2020 and -9.6% in Fiscal 2021 due to COVID-19 disruptions. A sharp rebound followed in Fiscal 2022 with growth of approximately 11.7%, driven by reopening-led demand. Since then, IIP growth has stabilised at approximately 4.7% in Fiscal 2023, approximately 5.5% in Fiscal 2024, and approximately 4.1% in Fiscal 2025, reflecting a return to pre-pandemic trends supported by steady industrial demand, infrastructure expansion, and improved capacity utilisation.

India's IIP growth - Manufacturing
(Y-o-Y growth %, FY19-25)

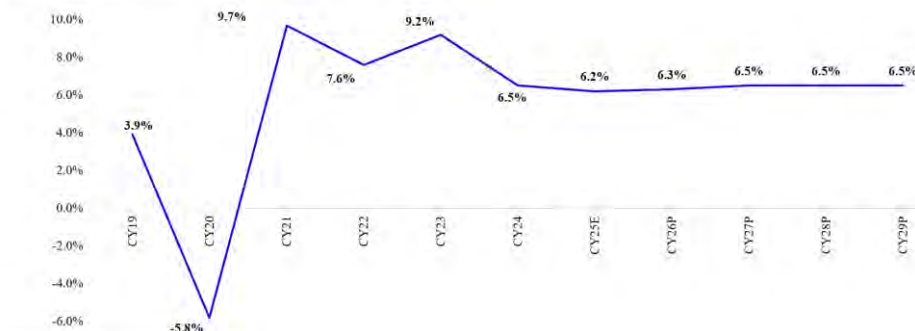


Source(s): Ministry of Statistics and Programme Implementation (MoSPI). I.Lattice analysis

India's real GDP growth recovered post-COVID & is projected to stabilise at 6.2 to 6.5% through Calendar Year 2029

India's real GDP grew by 3.9% in Calendar Year 2019 compared to Calendar Year 2018, before contracting to -5.8% in Calendar Year 2020 due to the pandemic. A strong recovery followed, with growth reaching approximately 9.7% in Calendar Year 2021 and subsequently stabilising at approximately 6.5% in Calendar Year 2024, supported by policy stimulus and domestic resilience. Beyond cyclical recovery, structural drivers such as increasing urbanisation, a growing middle class, and deeper integration into global value chains are expected to sustain economic momentum. From Calendar Year 2025 to Calendar Year 2029, real GDP growth is projected to remain stable at approximately 6.2–6.5%, driven by digitalisation, capex-led expansion, policy continuity, and supply chain localisation, reinforcing India's position as one of the fastest-growing major economies globally.

Real GDP growth – India
(Y-o-Y growth %, CY19-29P)



Note(s): *Projected.
Source(s): International Monetary Fund. I.Lattice analysis.

The following growth drivers have contributed to India's economic recovery & are expected to continue fuelling GDP expansion in the coming years:

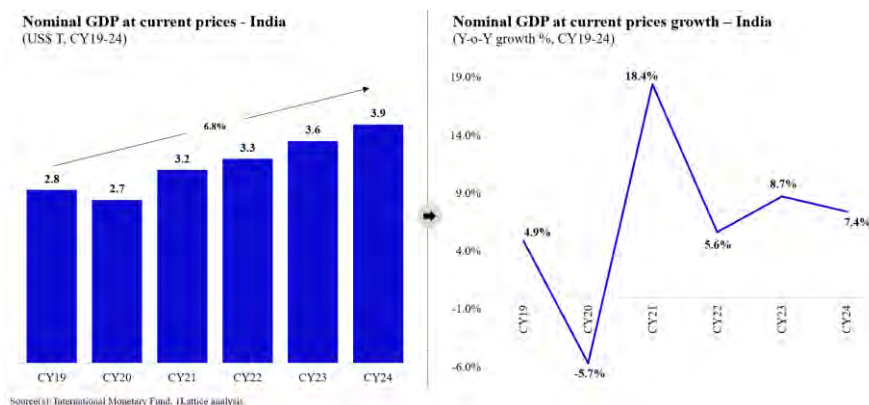
- **Make in India:** Launched by the government of India with a budget outlay of approximately USD 26 billion as a flagship initiative to position India as a global manufacturing hub by driving industrial investment, innovation & infrastructure development
- **Aatmanirbhar Bharat:** Launched during the pandemic with a mission to integrate Indian goods into global supply chains & promote self-reliance, backed by approximately USD 269 billion budget to boost domestic production
- **Gati Shakti:** Launched in Fiscal 2022 as a “National Master Plan” to reduce logistics costs & execution delays by enabling time-bound development of approximately 434 major economic corridors valued at approximately USD 139.8 billion, ensuring multi-modal connectivity
- **PLI schemes:** Government of India implemented PLI schemes with a budget outlay of approximately USD 24 billion, as a scheme to incentivise performance-linked manufacturing across 14 strategic sectors to boost domestic production, attract investment & strengthen India's global competitiveness
- **Reforms in infrastructure, taxation & Ease of Doing Business (EODB):** Through simplification of tax regimes, digitisation of compliance & fast-tracking of project approvals, the government has improved ease of doing business to

create a more conducive environment for investment & growth

Collectively, these efforts have played a pivotal role in strengthening India's economic fundamentals & supporting the recovery & growth of GDP.

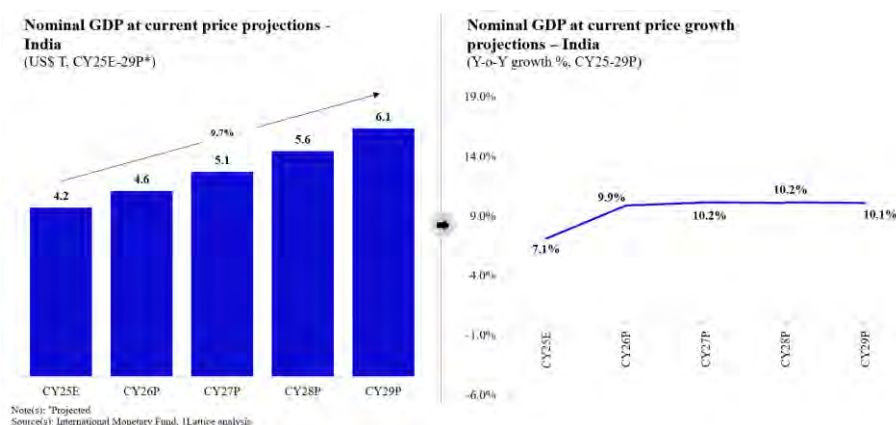
India's nominal GDP grew from approximately USD 2.8 trillion in Calendar Year 2019 to approximately USD 3.9 trillion in Calendar Year 2024, showing peak growth rate at approximately 18.4% in Calendar Year 2022

India's nominal GDP stood at approximately USD 2.8 trillion in Calendar Year 2019 before dipping to approximately USD 2.7 trillion in Calendar Year 2020, reflecting the pandemic impact. The growth rate peaked at 18.4% in Calendar Year 2021, indicating a strong post-COVID recovery before moderating to approximately 7.4% in Calendar Year 2024, as GDP reached USD 3.9 trillion. In the past five years, India's GDP growth has been driven by strong domestic consumption, higher government spending on infrastructure, rapid digitalisation, and the resilience of services and manufacturing sectors. Supportive policy reforms and a young, expanding workforce have further bolstered growth.



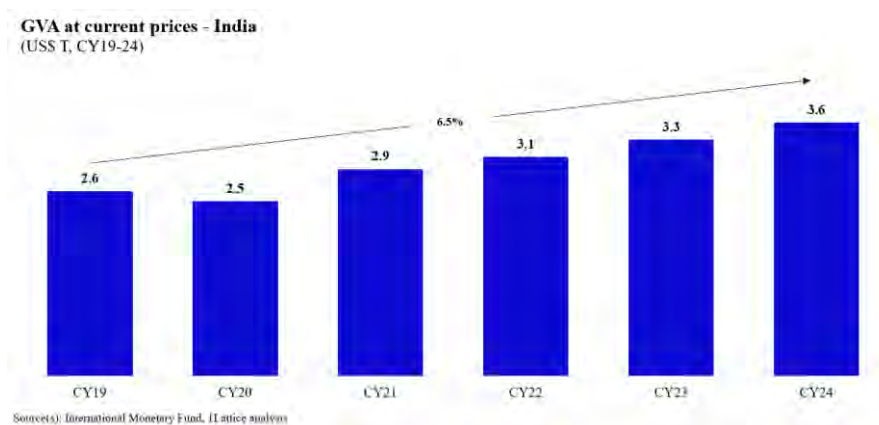
Nominal GDP is further projected to grow from approximately USD 4.2 trillion in Calendar Year 2025 to approximately USD 6.1 trillion in Calendar Year 2029

The nominal GDP is further projected to grow from approximately USD 4.2 trillion in Calendar Year 2025 to approximately USD 6.1 trillion in Calendar Year 2029. Growth is expected to remain strong, stabilising around 10% annually from Calendar Year 2026 to 2029. Structural drivers such as rapid digitalisation, expansion of the services sector, formalisation of the economy, and a growing manufacturing base under the "Make in India" initiative have further supported economic momentum. In addition, demographic advantages with a young workforce, rising urbanisation, and ongoing policy reforms have created a strong foundation for sustained growth.



India's GVA grew from approximately USD 2.6 trillion in Calendar Year 2019 to approximately USD 3.6 trillion in Calendar Year 2024, registering a CAGR of approximately 6.5% during the period

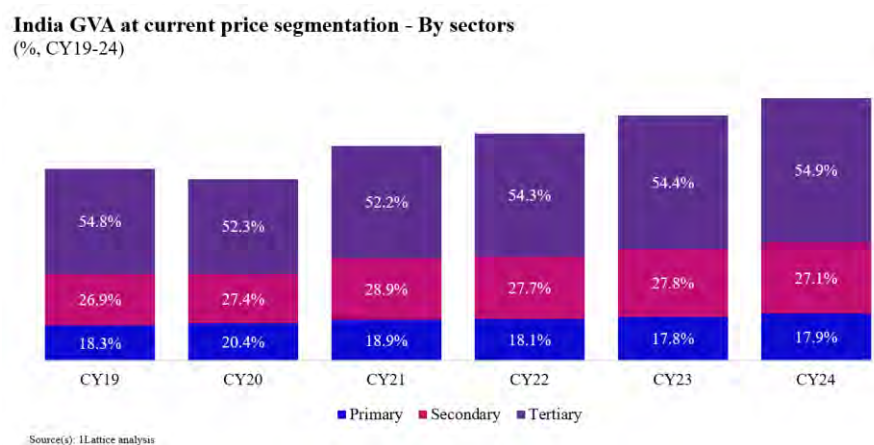
GVA is an economic metric that measures the value of goods & services produced in an economy over a specific period, excluding the cost of intermediate inputs. India's GVA grew from approximately USD 2.6 trillion in Calendar Year 2019 to approximately USD 3.6 trillion in Calendar Year 2024, registering a CAGR of approximately 6.5% during the period. India's GVA growth over the past five years has been supported by robust services sector expansion, led by trade, financial, and IT services, along with a revival in industrial output. Rising infrastructure investment, policy-driven manufacturing push, and resilient agricultural performance have further contributed to the steady increase.



Secondary & tertiary sectors drove GVA growth post-COVID, with key sub-sectors like manufacturing & construction showing leading growth

The industrial & services sectors have been at the forefront of India's GVA recovery post-COVID, reflecting strong structural resilience & sustained economic momentum. The secondary sector's share, which rose from approximately 27.4% in Calendar Year 2020 to 28.9% in Calendar Year 2021 & has since stabilised to 27.1% by Calendar Year 2024, indicating revival in manufacturing & construction activity. The tertiary sector, which faced pandemic-led disruptions, recovered steadily from approximately 52.3% in Calendar Year 2020 to 54.9% in Calendar Year 2024, reaffirming the dominance of services in the economic mix.

Looking forward, India is poised to become a global manufacturing hub, driven by the China-plus-one strategy, the Ukraine-Russia crisis, high production costs in Europe, and India's position as the lowest-cost producer after China. European OEMs present significant growth opportunities as they accelerate their shift from internal-combustion to electric powertrains, creating demand for cost-competitive precision transmission and driveline components that Indian suppliers are well positioned to meet. The country's robust manufacturing ecosystem, ready availability of skilled labour & key raw materials, and strong government incentive schemes under 'Make in India' further reinforce India's emergence as a global manufacturing hub.

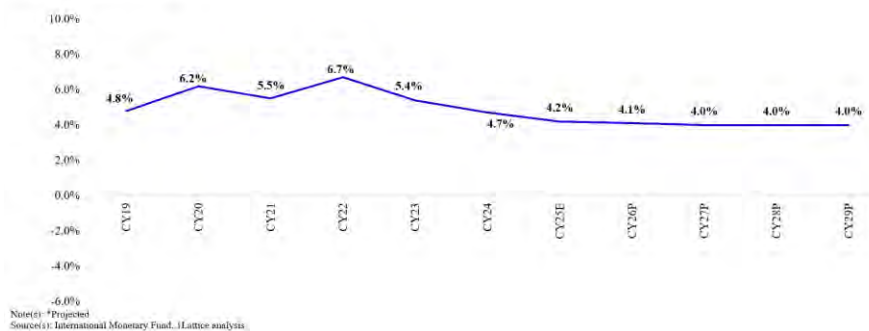


Within these sectors, manufacturing, construction & financial sectors, real estate & professional services category has been the key contributor to growth.

CPI inflation grew from 4.8% in Calendar Year 2019 to peak at 6.7% in Calendar Year 2022, before easing to 4.7% in Calendar Year 2024

CPI inflation stood at 4.8% in Calendar Year 2019 & rose to a peak of 6.7% in Calendar Year 2022, driven by pandemic-led supply disruptions, food price volatility & global cost pressures. It has since moderated, reaching 4.7% in Calendar Year 2024, supported by policy continuity, supply-side reforms & improved food availability.

CPI index movement – India
(Y-o-Y growth %, CY19-29P)

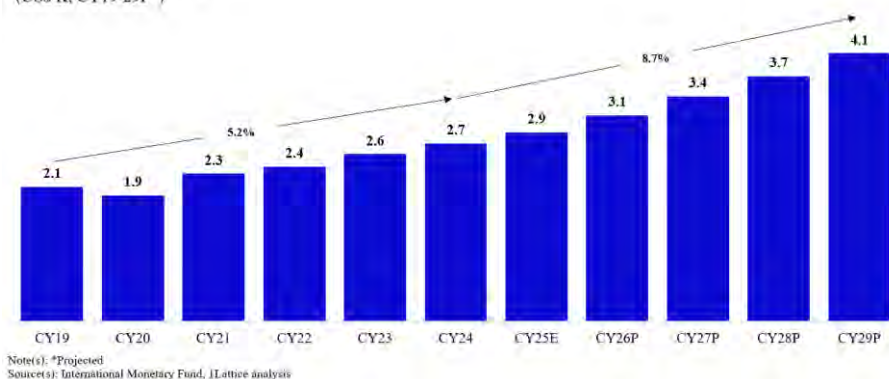


Looking ahead, CPI inflation is expected to remain broadly stable between 4.0 to 4.2% between Calendar Year 2025 & Calendar Year 2029P, reflecting a more controlled price environment. This sustained moderation is likely to be supported by continued government efforts, including targeted fiscal interventions, supply-side reforms & calibrated monetary policy. Measures such as rationalisation of import duties, buffer stock maintenance for key food commodities & timely interventions in fuel & food markets have been playing a key role in anchoring inflation within the RBI's tolerance band.

India's per capita income & is projected to reach approximately USD 4.1 thousand by Calendar Year 2029 from approximately USD 2.7 thousand in Calendar Year 2024

India's per capita income increased from approximately USD 2.1 thousand in Calendar Year 2019 to approximately USD 2.7 thousand in Calendar Year 2024, reflecting a CAGR of approximately 5.2% during the period. This growth has been underpinned by favourable demographics, urbanisation-led job creation & structural reforms like "Digital India", which have enhanced productivity & investment. Income levels are projected to reach approximately USD 4.1 thousand by Calendar Year 2029, supported by a stronger CAGR of approximately 8.7% during Calendar Year 2024 to 2029.

GDP per capita - India
(US\$ K, CY19-29P*)



This sustained income growth is driven by a broad-based urban recovery, rising digital adoption across sectors & continued expansion of high-value services such as IT, financial services & real estate. These structural shifts are enhancing productivity, improving formal employment & boosting disposable incomes across segments.

Off-highway vehicle market – Overview & outlook

The off-highway vehicle industry encompasses agricultural machinery such as tractors & harvesters, and construction equipment including bulldozers, cranes, and material handlers. These machines are specifically designed for non-road applications primarily across two key segments: Agriculture & construction.

- Agricultural equipment primarily comprises tractors & harvesters, which are essential for core farming operations such as land preparation, sowing, harvesting & post-harvest handling. In Calendar Year 2024, tractors contributed approximately 2.6 million units to the global off highway vehicle market, while harvesters contributed approximately 0.1 million units. Tractor sales alone accounted for approximately 68.4% of the global off-highway vehicle market, making it a key segment.
- Construction equipment refers to heavy machinery used for applications such as excavation, lifting, paving, earthmoving, etc. It contributed approximately 1.2 million units to the global off-highway vehicle market in Calendar Year 2024. Construction equipment includes earthmoving (excavators, backhoe loaders), material handling (cranes, forklifts), and road machinery (compactors, pavers), covering major construction, industrial, and logistics needs .

These machines are purpose-built to operate in rugged & off-road environments, with specifications customised for heavy-duty & high-performance tasks. The demand for off-highway vehicles is typically influenced by seasonal agricultural cycles in the farm sector & the pace of construction activity.

Government initiatives and technological advancements driving transformation of off-highway vehicle industry

The off-highway vehicle industry is undergoing rapid transformation driven by advancements in automation, electrification & digital technologies. Modern machines are becoming more efficient, intelligent & sustainable through innovations such as precision GPS, telematics & hybrid or electric powertrains. The Indian government is taking vital steps to actively support this transformation through targeted policies & public investments such as:

- **Bharat Stage (TREM) emission standards:** The government has mandated progressively stringent emission norms to reduce environmental impact.
 - The TREM IV standards, effective from January 2023 for tractors (>50 HP), require a significant reduction in pollutants, limiting Particulate Matter (PM) to 0.025 g/kWh and Nitrogen Oxides (NOx) to 0.4 g/kWh for engines between 56 to 560kW.
 - The upcoming TREM V norms, scheduled for 2026, will tighten these limits further to 0.015 g/kWh for PM and introduce a Particle Number (PN) limit for the first time, aligning Indian regulations with global benchmarks like Euro Stage V.
- **Sub-Mission on Agricultural Mechanisation (SMAM):** Launched under the Ministry of Agriculture to improve farm mechanisation levels by providing subsidies for equipment, particularly for small & marginal farmers.
 - Under this scheme, the farm power availability increased from approximately 1.84 kW/ha in Fiscal 2014 to approximately 2.59 kW/ha in Fiscal 2022, reflecting an approximately 35% increase in farm power & accelerated mechanisation across the nation.
- **PM Gati Shakti, National Infrastructure Pipeline (NIP) & Smart Cities Mission:** Aimed at boost demand for modern construction equipment by driving infrastructure development across the country.
 - These programs are collectively catalysing infrastructure development & integrated project development across India. For instance, under the Gati Shakti program, the Government of India has commissioned approximately 91 Gati Shakti cargo terminals along with key multimodal infrastructure initiatives such as Bharatmala.
 - Similarly, the Smart Cities Mission (SCM) has made significant progress, having completed approximately 7,555 out of approximately 8,067 projects, with an investment of approximately ₹ 1.5 trillion.
- **Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) - II:** Implemented by the Government of India to accelerate adoption of electric & hybrid vehicles through demand incentives, subsidies & charging infrastructure support.
 - The scheme was allocated a budget outlay of approximately ₹ 110 billion in phase-III of adoption, reinforcing long-term government commitment to EV adoption.
 - Though focused on on-road mobility, the scheme is prompting OEMs to channel investments towards developing electric & hybrid technologies for off-highway vehicle applications as well.

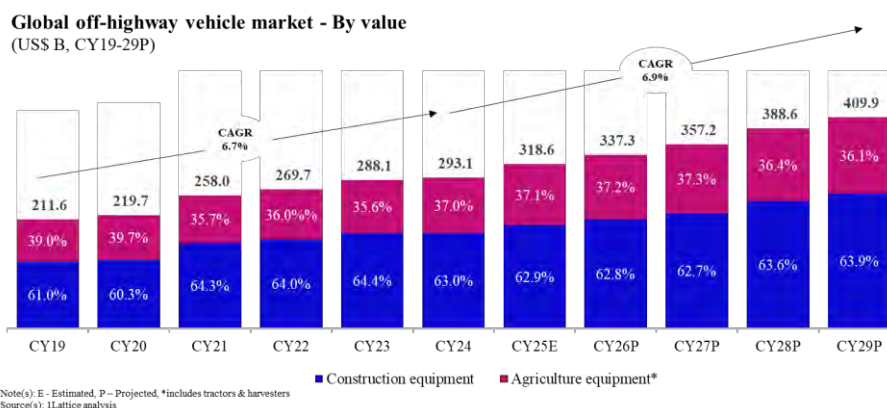
These targeted policies, combined with rapid progress in automation, electrification & digitalisation, are reshaping the off-highway vehicle sector. OEMs are increasingly focusing on building smarter, cleaner & more efficient machines, while government support is ensuring that this transformation translates into large-scale adoption across agriculture, infrastructure & mobility applications.

Global off-highway vehicle market grew from approximately USD 211.6 billion in Calendar Year 2019 to approximately USD 293.1 billion in Calendar Year 2024, reflecting a CAGR of approximately 6.7%

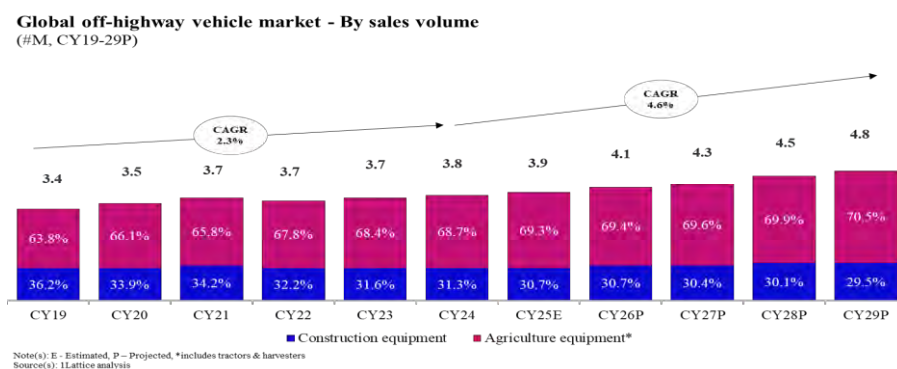
Global off-highway vehicle market grew from approximately USD 211.6 billion in Calendar Year 2019 to approximately USD 293.1 billion in Calendar Year 2024, reflecting a CAGR of approximately 6.7%. Growth during this period was supported by rising mechanisation in agriculture, infrastructure investments & adoption of advanced equipment across emerging markets. Agriculture equipment contribute to a considerable share in the market, consistently accounting for approximately 35 to 40% share across Calendar Year 2019 to 2029, driven by sustained demand for farm mechanisation in Asia-Pacific & other agrarian economies. The segment's centrality underscores agriculture's role as the primary growth engine for the industry, while

construction & mining equipment contribute the balance.

Looking ahead, the market is projected to reach approximately USD 409.9 billion in Calendar Year 2029, growing at a CAGR of approximately 6.9% over Calendar Year 2024 to 2029, with tractors expected to retain their leadership alongside faster adoption of advanced construction machinery in emerging markets.



In terms of volume, the market grew from approximately 3.4 million units in Calendar Year 2019 to approximately 3.8 million units in Calendar Year 2024, reflecting a CAGR of 2.3%. The moderate growth reflected the pandemic-led disruptions & uneven recovery across regions. It is further projected to reach approximately 4.8 million units in Calendar Year 2029, registering a CAGR of 4.6% over Calendar Year 2024 to 2029, supported by rising demand for farm mechanisation, construction activity, & fleet upgrades in emerging markets.



Rising farm mechanisation, rapid urbanisation, adoption of smart equipment & green regulatory policies drives growth of the global off-highway vehicle market

The growth of the global off-highway vehicle industry is shaped by a confluence of factors such as rising farm mechanisation & resilient agricultural practices, rapid urbanisation & infrastructure-led demand, increasing adoption of smart equipment through technological integration & a growing focus on sustainability driven by stringent green regulations.

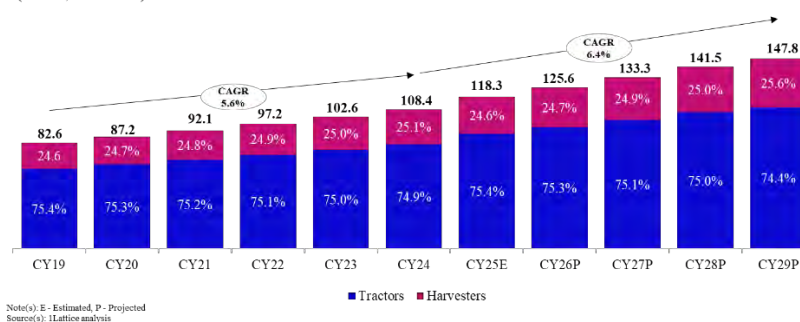


Global agricultural equipment market is projected to reach approximately USD 147.8 billion in Calendar Year 2029 from approximately USD 108.4 billion in Calendar Year 2024

The global agricultural equipment market grew from approximately USD 82.6 billion in Calendar Year 2019 to approximately USD 108.4 billion in Calendar Year 2024, reflecting a CAGR of approximately 5.6%. The growth was driven by increasing farm mechanisation, adoption of precision technologies & replacement of ageing machinery. Leading players such as Deere & Company, Case IH, AGCO Corporation & Kubota have been at the forefront of this expansion, driving innovation & market penetration across geographies. The market is further projected to reach approximately USD 147.8 billion in Calendar Year 2029, growing at a CAGR of approximately 6.4% over Calendar Year 2024 to 2029, supported by rising food demand, government subsidies & higher adoption of advanced equipment in emerging economies.

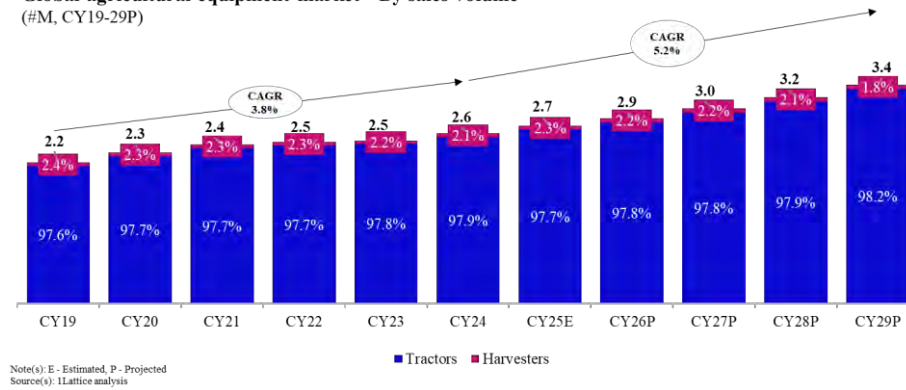
Reflecting its strong positioning in this global market, Milestone Gears is an approved supplier to John Deere, CNH, AGCO & Kubota, whose combined share represents approximately 54.4% of the global agri equipment market in value terms.

Global agricultural equipment market - By value
(US\$ B, CY19-29P)



In terms of volume, the market grew from approximately 2.2 million units in Calendar Year 2019 to approximately 2.6 million units in Calendar Year 2024, reflecting a CAGR of 3.8%. Further, it is projected to grow to approximately 3.4 million units in Calendar Year 2029, reflecting a CAGR of approximately 5.2% over Calendar Year 2024 to 2029.

Global agricultural equipment market - By sales volume
(#M, CY19-29P)



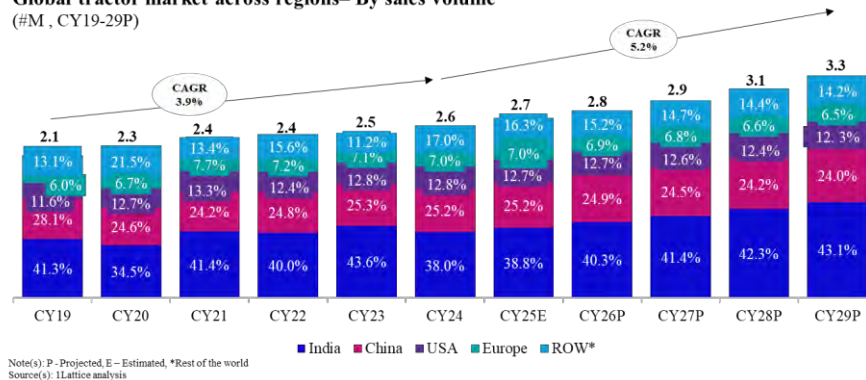
Global tractor market grew from approximately 2.1 million units in Calendar Year 2019 to approximately 2.6 million units in Calendar Year 2024, registering a CAGR of 3.9%

The global tractor market grew from approximately 2.1 million units in Calendar Year 2019 to approximately 2.6 million units in Calendar Year 2024, reflecting a CAGR of approximately 3.9% during the period. It is further projected to reach approximately 3.3 million units by Calendar Year 2029, reflecting a CAGR of approximately 5.2% over Calendar Year 2024 to 2029.

Region-wise, India remained the largest contributor, consistently accounting for approximately 38 to 43% of global volumes, supported by strong rural demand, favourable government policies & higher mechanisation levels. China contributes approximately 24 to 26% share, driven by large-scale farming practices, though growth is moderating as the market approaches maturity. The USA accounts for approximately 12 to 13% share, with demand led by replacement cycles & adoption of high-powered tractors. Europe contributes approximately 6 to 8%, largely stable due to mechanisation saturation, while the rest of the world (ROW), including Brazil & Bangladesh, is projected to rise to approximately 14% share by Calendar Year 2029, reflecting increasing adoption of tractors to improve agricultural productivity in emerging economies.

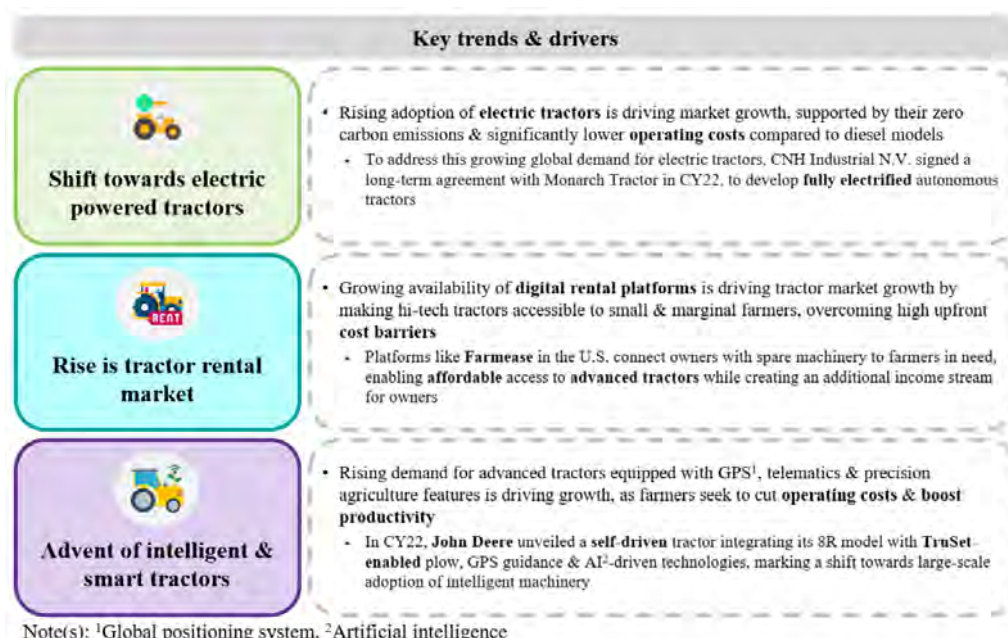
Overall, the industry's growth trajectory highlights the pivotal role of India & other markets in driving the next wave of expansion.

Global tractor market across regions- By sales volume
(#M, CY19-29P)



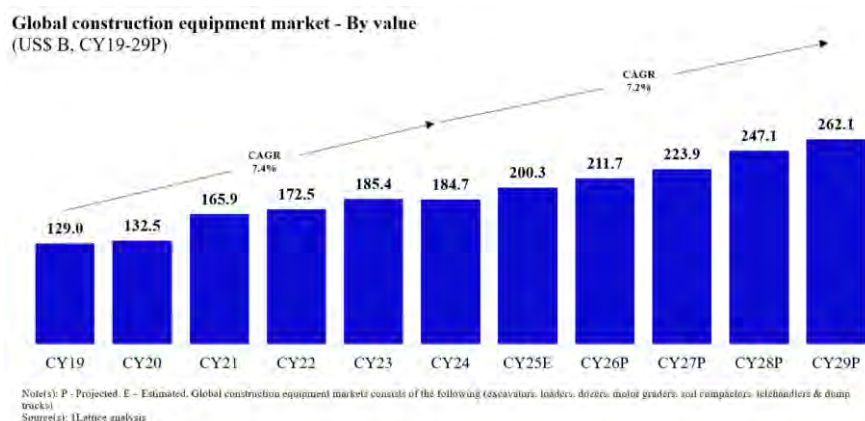
Growth drivers & trends of the global tractor market

The global tractor market is witnessing strong growth, driven by evolving trends and technological advancements. Key drivers include the shift towards electric-powered tractors for sustainable & cost-efficient operations, the advent of intelligent & smart tractors equipped with AI, GPS & precision farming capabilities, and the rise of digital tractor rental platforms that enhance accessibility for small & marginal farmers. Together, these factors are reshaping the industry landscape, improving productivity, reducing ownership costs & supporting wider adoption across global farming communities.



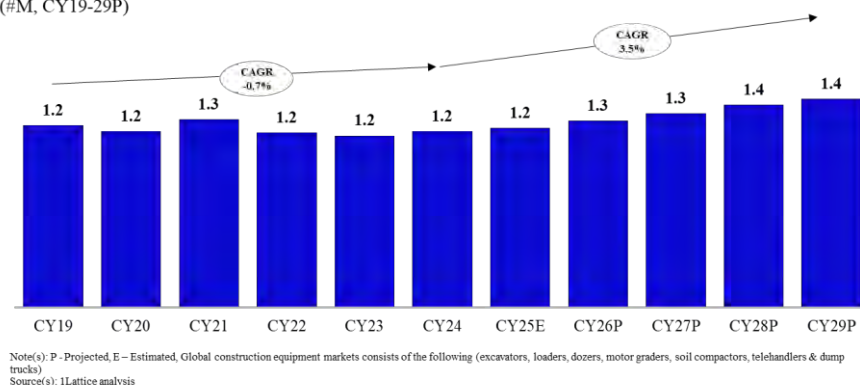
Global construction equipment market grew from approximately USD 129 billion in Calendar Year 2019 to approximately USD 185 billion in Calendar Year 2024

The global construction equipment market rose from approximately USD 129.0 billion in Calendar Year 2019 to approximately USD 184.7 billion in Calendar Year 2024, registering a CAGR of approximately 7.4% during the period. Growth was supported by premiumisation of equipment, greater integration of digital & automation technologies, and an overall increase in average selling prices, even as volumes remained largely stagnant. Further, the market is expected to rise to approximately USD 262.1 billion by Calendar Year 2029, driven by stabilisation in volumes alongside recovery in the construction & infrastructure sectors & continued shift towards advanced & high-value equipment.



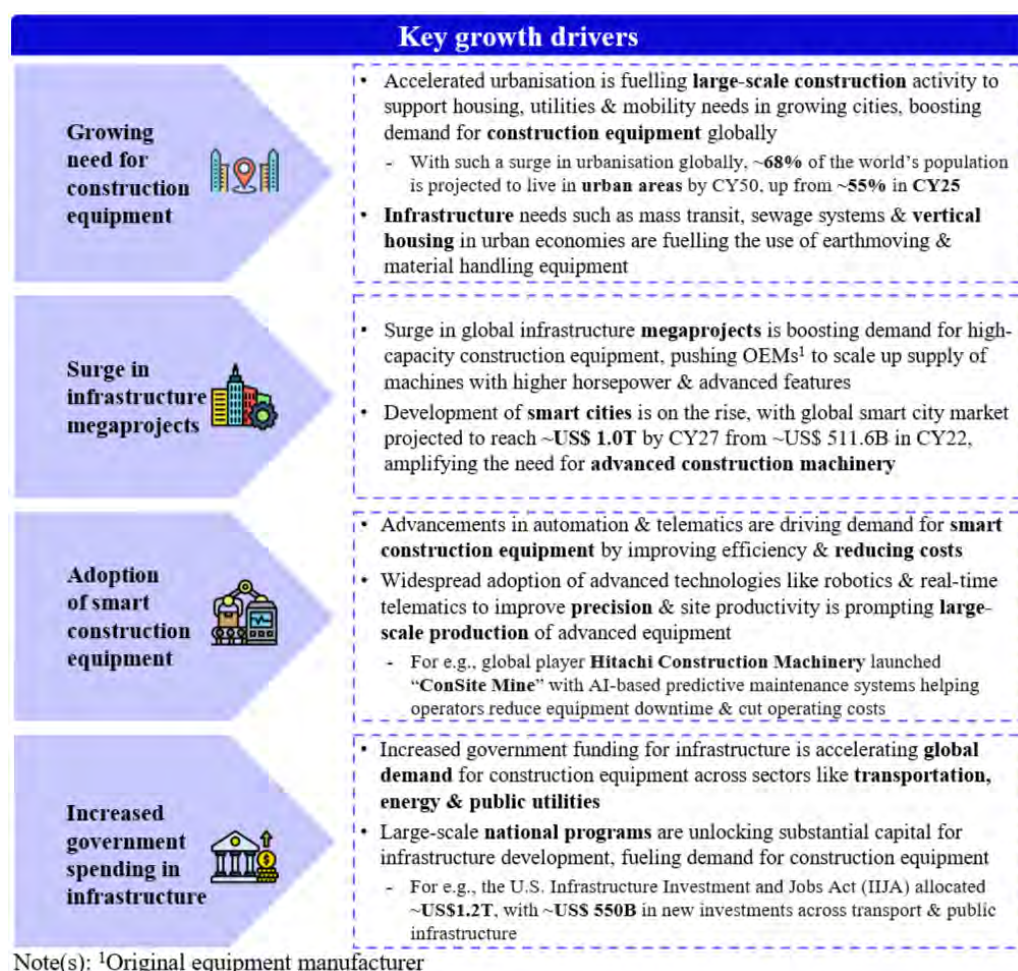
In terms of volume, the market was valued at approximately 1.2 million units in Calendar Year 2019. Moving ahead, it stayed consistent at approximately 1.2 million units in Calendar Year 2024. The stagnation reflected pandemic-induced project delays, supply chain disruptions & reduced infrastructure spending in key markets like China, Europe & parts of Latin America due to economic slowdowns & real estate crises. Further, in Calendar Year 2029, it is projected to grow to approximately 1.4 million units, reflecting a CAGR of 3.5% from Calendar Year 2024 to 2029P, supported by recovery in construction activity & renewed infrastructure investment

Global construction equipment market - By sales volume
(#M, CY19-29P)



Growth in global construction is being driven by the growing need for construction equipment, surge in infrastructure investments, urban expansion, and regulatory mandates in the construction industry

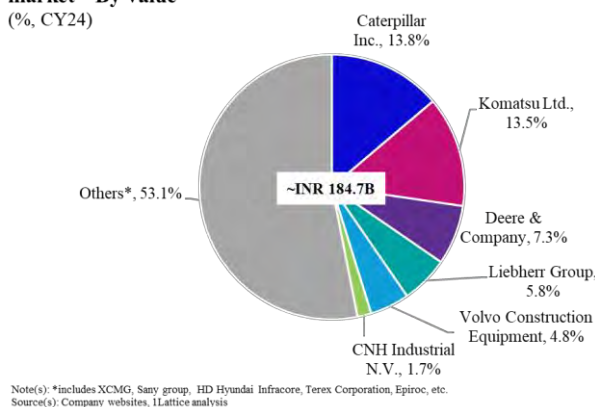
The global construction equipment market is experiencing robust growth, driven by a confluence of structural & technological factors. Rapid urbanisation, rising equipment demand, greater adoption of automation & higher government spending on public infrastructure are collectively accelerating demand for modern construction machinery.



Key players hold approximately 46.9% collective share of the global construction equipment market

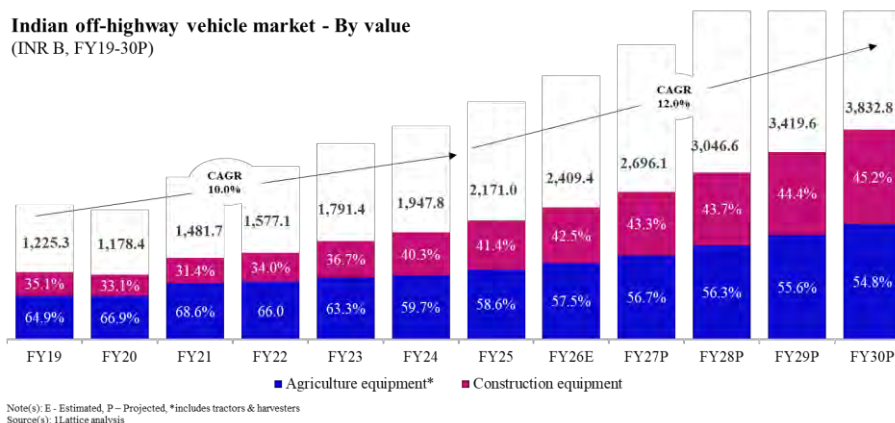
Key players in the global construction equipment market include U.S. -based giants like Caterpillar (13.8%), Deere & Company (7.3%) & CNH Industrial (1.7%), Europe-based Liebherr (5.8%) & Volvo Construction Equipment (4.8%), and Japan-based Komatsu Ltd. (13.5%). Together, these players account for approximately 46.9% of the global market. These top manufacturers along with XCMG, Sany group, HD Hyundai Infracore, Terex Corporation, Epiroc, etc., significantly shape industry dynamics. Their market leadership is supported by diversified product portfolios, strong brand equity & extensive distribution networks worldwide.

Key players in the global construction equipment market - By value
(%, CY24)



India off-highway vehicle market grew from approximately ₹ 1,225.3 billion in Fiscal 2019 to approximately ₹ 2,171.0 billion in Fiscal 2025

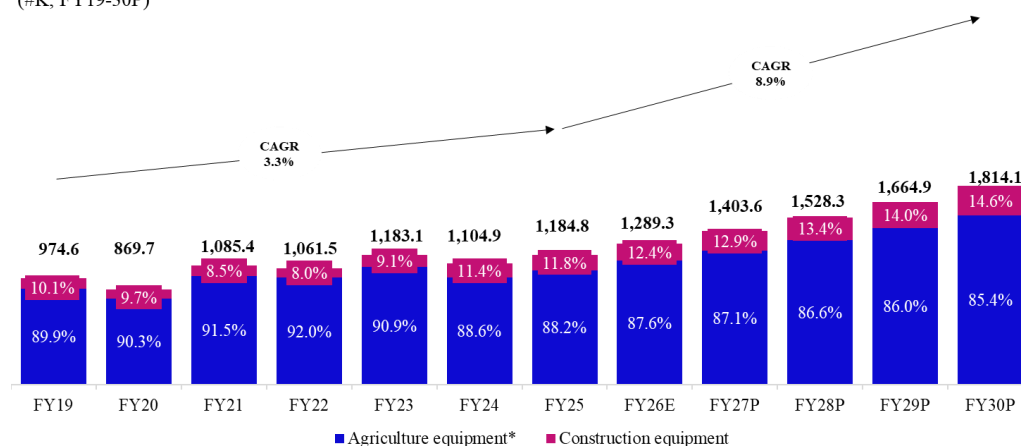
India's off-highway vehicle market stood at approximately ₹ 1,225.3 billion in Fiscal 2019 and reached approximately ₹ 2,171.0 billion in Fiscal 2025, reflecting a strong CAGR of approximately 10.0%. It is further projected to expand to approximately ₹ 3,832.8 billion in Fiscal 2030, growing at a CAGR of approximately 12.0% over Fiscal 2025 to 2030. Market growth is underpinned by rising farm mechanisation levels & government-led infrastructure initiatives.



In terms of volume, the market expanded from approximately 974.6 thousand units in Fiscal 2019 to approximately 1,184.8 thousand units in Fiscal 2025, reflecting a CAGR of approximately 3.3%. Growth was driven by wider adoption of tractors in agriculture, gradual uptake of construction machinery & improved activity in the mining sector.

By Fiscal 2030, volumes are expected to reach approximately 1,814.1 thousand units in Fiscal 2030, growing at a CAGR of approximately 8.9% over Fiscal 2025 to 2030, aided by large-scale infrastructure rollout, rising farm productivity needs & faster replacement of ageing fleets.

Indian off-highway vehicle market - By sales volume
 (#K, FY19-30P)

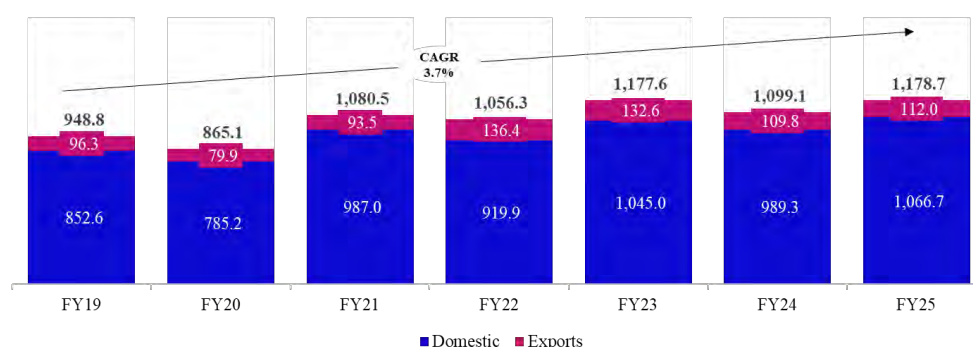


Note(s): E - Estimated, P - Projected, *includes tractors & harvesters
 Source(s): ILattice analysis

In terms of exports, the market grew from approximately 948.8 thousand units in Fiscal 2019 to approximately 1178.7 thousand units in Fiscal 2025. In Fiscal 2019, domestic sales contributed approximately 852.6 thousand units whereas exports contributed approximately 96.3 thousand units. Growth during this period was largely driven by rising domestic demand, supported by rural mechanisation and government infrastructure push. Exports dipped in Fiscal 2024 primarily due to geopolitical conflicts and ensuing trade wars, compounded by high interest rates and an increased cost of capital.

Further exports reached approximately 112.0 thousand units in Fiscal 2025, reflecting increased penetration of Indian off-highway vehicles worldwide.

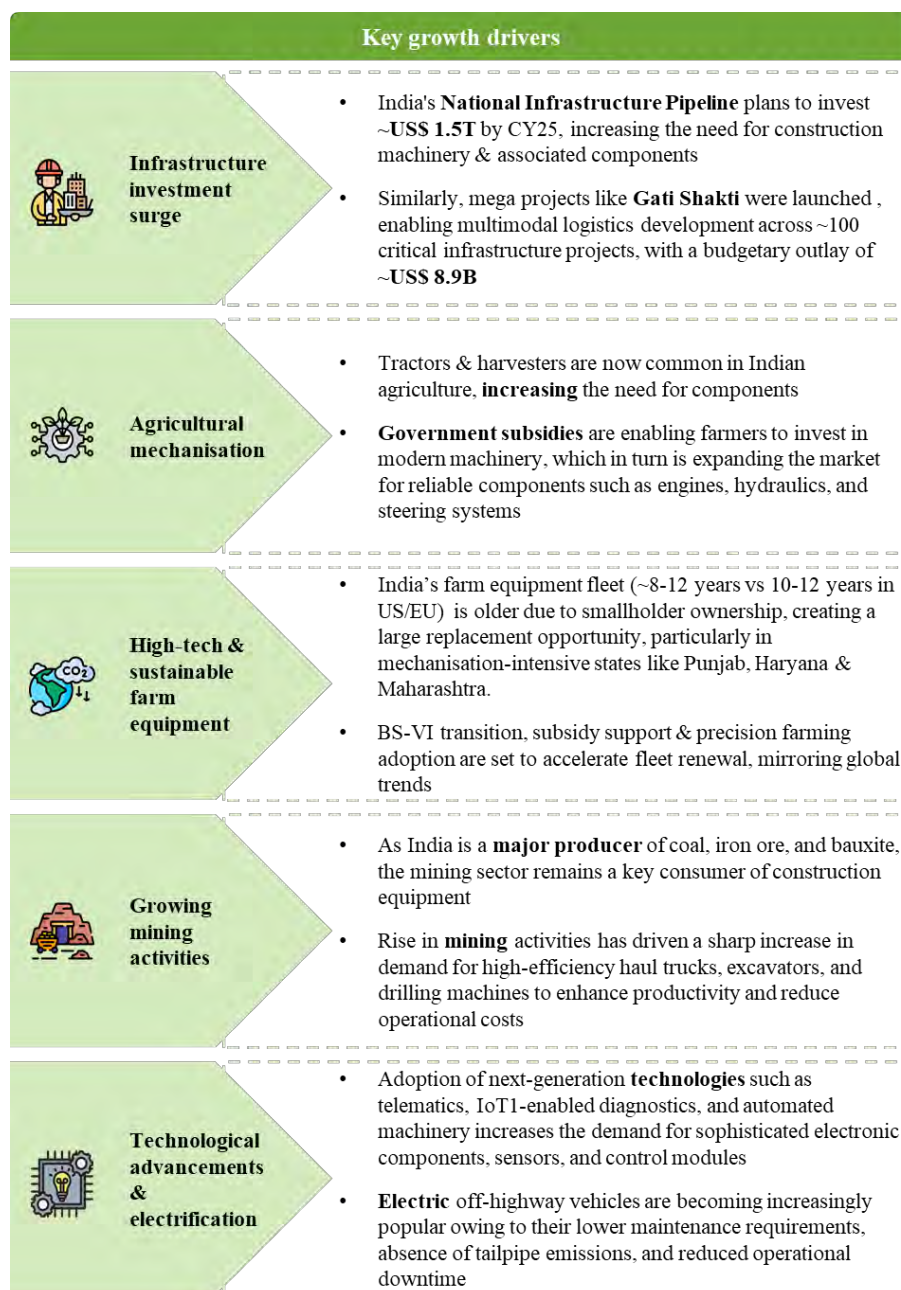
Segmentation of Indian off-highway market - By domestic & exports
 (#K, FY19-25)



Note(s): P - Projected, E - Estimated
 Source(s): ILattice analysis

Growth of India's off-highway vehicle market is driven by infrastructure investment, agricultural mechanisation, mining activities expansion & technological advancements

India's off-highway vehicle market is undergoing a major transformation, supported by policy initiatives and evolving industry needs. Government investments in large-scale infrastructure projects, along with subsidies, are promoting the adoption of modern agricultural machinery, which in turn is driving demand for durable and advanced components. Moreover, technology trends such as electrification and smart systems, spurred by stricter emission norms, are shaping market development. Expansion of mining activities is further supporting growth in this sector.



Note(s): 1Internet of Things

Source(s): Industry reports, News articles, 1Lattice analysis

Indian agricultural equipment market is projected to grow from approximately ₹ 1,272.1 billion in Fiscal 2025 to approximately ₹ 2,100.3 billion by Fiscal 2030

The Indian agricultural equipment market grew from approximately ₹ 795.8 billion in Fiscal 2019 to approximately ₹ 1,272.1 billion in Fiscal 2025, registering a CAGR of approximately 8.1%. Unlike developed markets where mechanisation is saturated, India's growth is being shaped by its low but rising mechanisation levels & continued dominance of tractors, which account for over two-thirds of farm equipment demand. The market is expected to rise to approximately ₹ 2,100.3 billion in Fiscal 2030, with an estimated CAGR of approximately 10.5% during Fiscal 2025 to 2030, supported by rising rural incomes, demand for productivity-enhancing implements (like harvesters, tillers & planters). The prevalence of fragmented landholdings is also leading farmers to increasingly adopt shared, rented or financed equipment models, thereby improving accessibility to modern machinery beyond tractors.

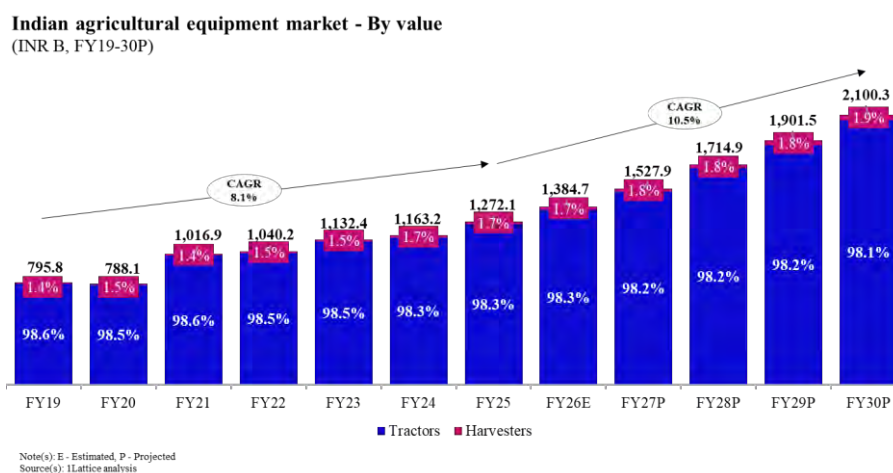
Furthermore, government support is a major catalyst for growth in agricultural equipment adoption.

- The Ministry of Agriculture's rising budget allocations are channelled into subsidies for modern implements and machinery under schemes like **SMAM (Sub-Mission on Agricultural Mechanisation)**.
- In parallel, **agriculture credit targets** set by the government are expanding access to low-interest loans, enabling small

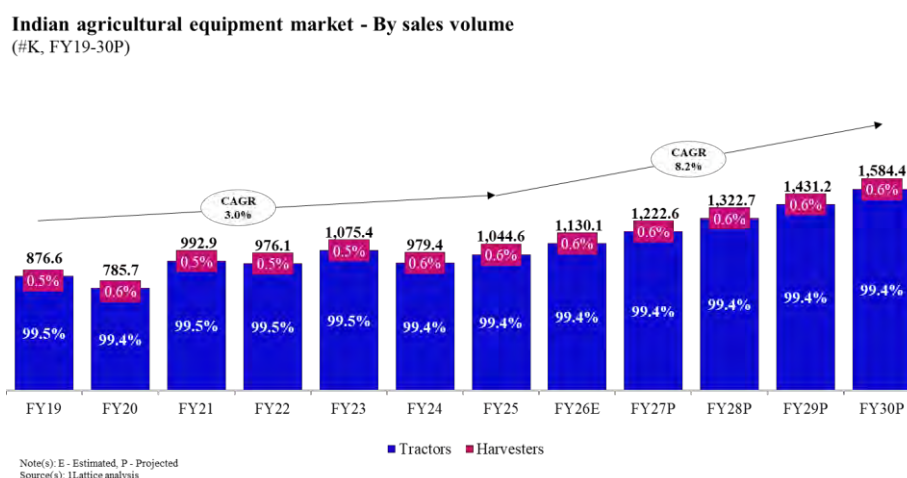
and marginal farmers to purchase or lease equipment.

- Schemes such as the **PM-Matsya Sampada Yojana** are also indirectly supporting mechanisation by boosting allied rural incomes and encouraging investment in productivity-enhancing tools.

Collectively, these measures are strengthening affordability and accessibility, complementing rising rural incomes and demand for mechanisation.



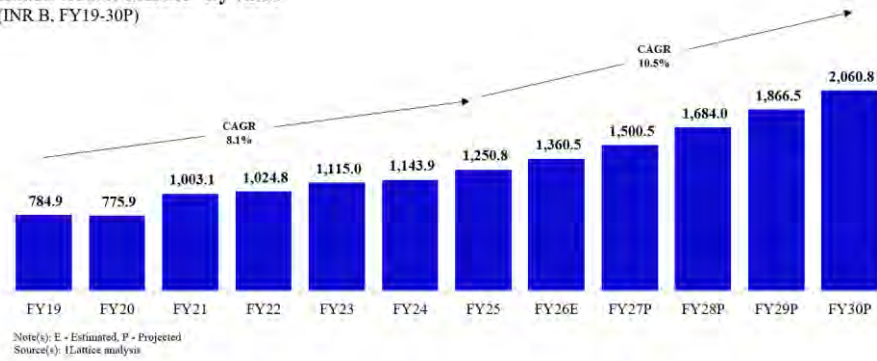
In terms of volume, the market grew from approximately 876.6 thousand units in Fiscal 2019 to approximately 1,044.6 thousand units in Fiscal 2025, with a CAGR of 3.0% during the period. Further, it is projected to grow to approximately 1,584.4 thousand units in Fiscal 2030 with an estimated CAGR of approximately 8.2% from Fiscal 2025 to 2030.



Indian tractor market grew from approximately ₹ 784.9 billion in Fiscal 2019 to approximately ₹ 1,250.8 in Fiscal 2025, with a CAGR of approximately 8.1%

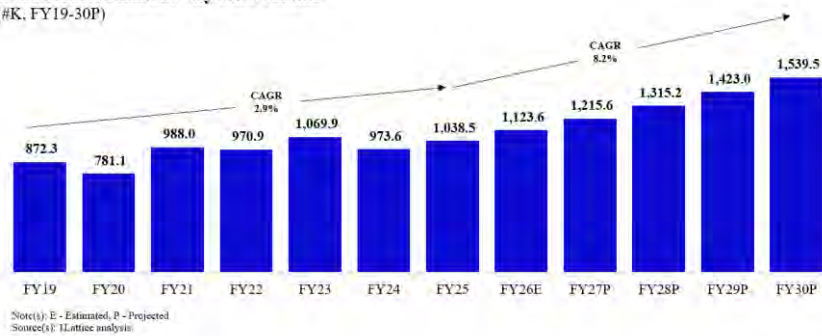
The Indian tractor market grew from approximately ₹ 784.9 billion in Fiscal 2019 to approximately ₹ 1,250.8 billion in Fiscal 2025, registering a CAGR of approximately 8.1% during the same period. Market is expected to reach approximately ₹ 2,060.8 billion by Fiscal 2030, growing at a CAGR of approximately 10.5%. Market growth is primarily driven by government subsidies on tractor purchases, further supported by high seasonal demand, rising exports & the prevalence of small to mid-sized farm holdings and an accelerating transition toward stricter emission norms that will lift replacement demand. 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.

Indian tractor market - By value
(INR B, FY19-30P)



The Indian tractor market remained as the world's largest tractor market by volume, with approximately 872.3 thousand units in Fiscal 2019 to approximately 1,038.5 thousand units in Fiscal 2025, reflecting a CAGR of approximately 2.9%. The market is further projected to reach approximately 1,539.5 thousand units in Fiscal 2030, growing at a CAGR of approximately 8.2% between Fiscal 2025 to 2030.

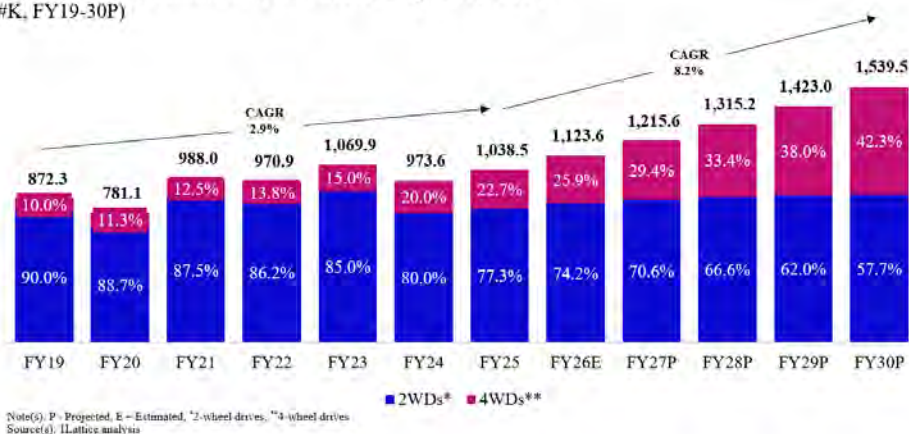
Indian tractor market - By sales volume
(#K, FY19-30P)



Indian tractor market is segmented into 2WDs* & 4WDs based on wheel drives, of which 2WD segment contributed the majority share of approximately 77.3% in Fiscal 2025**

Based on wheel drives, the Indian tractor market was dominated by 2WD in Fiscal 2019, with a market share of approximately 90%. Dominance of 2WDs was supported by their lower cost, fuel efficiency & suitability for small & fragmented landholdings in flat regions across northern & western India belts. 4WD tractors, contributing approximately 10%, found higher preference in hilly terrains, heavy black-soil belts & paddy-growing regions of the south & east, along with some parts of Maharashtra, where superior traction & power were essential. By Fiscal 2025, the 2WD share moderated to approximately 77% while 4WDs expanded to approximately 23%, driven by rising mechanisation efforts, demand for higher horsepower tractors & greater adoption in cash-crops. Going forward, 2WDs are projected to further decline to approximately 58% by Fiscal 2030, with 4WDs increasing to approximately 42%, reflecting structural shifts toward larger landholdings, multi-purpose usage & farming activities in challenging terrains. With demand for 4WDs tractors growing in future, OEMs are exploring options to offload the assembly.

Segmentation of Indian tractor market - By wheel drives
(#K, FY19-30P)



Indian tractor market is segmented into <30HP, 31 to 50 HP & >50 HP based on horsepower, of which the 30 to 50 HP segment contributed the majority share of approximately 78.0% in Fiscal 2025

In Fiscal 2025, the Indian tractor market, with a total sales volume of approximately 1,038.5 thousand units, was segmented into three main horsepower categories. The market is projected to grow to approximately 1,539.5 thousand units by Fiscal 2030.

- **Less than 30 HP (<30 HP):** The <30 HP segment constitutes a niche part of the market with a market share of approximately 9.2% share in Fiscal 2025. This segment largely caters to the needs of small and marginal farmers in India. Its market is expected to reach approximately 9.1% by Fiscal 2030. The primary growth drivers for this segment are its cost-effectiveness and its suitability for basic agricultural operations in smaller, fragmented landholdings.
- **31 to 50 HP:** The 31 to 50 HP segment is the largest category, holding a approximately 78.0% market share in Fiscal 2025. These tractors are versatile and serve the needs of medium-sized farms by offering higher power for a wider range of applications, such as tillage, haulage, and the use of multiple implements. The trend for this segment indicates a steady market, with its market share projected to be around approximately 77.9% by Fiscal 2030 as demand shifts towards smaller, more affordable tractors and highly specialised, powerful ones.
- **More than 50 HP (>50 HP):** The >50 HP segment held a approximately 12.8% share in Fiscal 2025. This category is primarily deployed for specialised heavy-duty tasks and in large-scale commercial farming operations where high power is essential. Reflecting its specialised application base, this segment's share is expected to grow and is projected to contribute approximately 13.0% to the market by Fiscal 2030.

Segmentation of Indian tractor market - By horsepower
(#K, FY19-30P)



Indian tractor market exports grew from approximately 92.3 thousand units in Fiscal 2019 to approximately 98.8 thousand units in Fiscal 2025 with total tractor market reaching approximately 1,038.5 thousand units in the same year

India's tractor market grew from approximately 872.3 thousand units in Fiscal 2019 to approximately 1,038.5 thousand units in Fiscal 2025. In Fiscal 2019, domestic sales contributed approximately 780.0 thousand units while exports contributed approximately 92.3 thousand units. Domestic growth was supported by steady rural demand, farm mechanisation, and government support programs, while exports saw traction in select developing markets. Further, domestic sales grew to approximately 842.3 thousand units in Fiscal 2022, with exports reaching approximately 128.6 thousand units, reflecting stronger overseas acceptance of Indian tractors. Moving on, in Fiscal 2025, domestic sales reached approximately 939.7 thousand units, whereas exports contributed approximately 98.8 thousand units to the market, as domestic demand remained resilient while exports corrected from earlier highs. This downturn in the export market was primarily caused by significant economic headwinds in key destinations, including the US, EU, and Turkey, which faced recessionary trends, high inflation, and currency devaluation. Compounding these challenges, prolonged geopolitical tensions, such as the war in Ukraine and subsequent sanctions, disrupted global trade flows and further dampened demand.

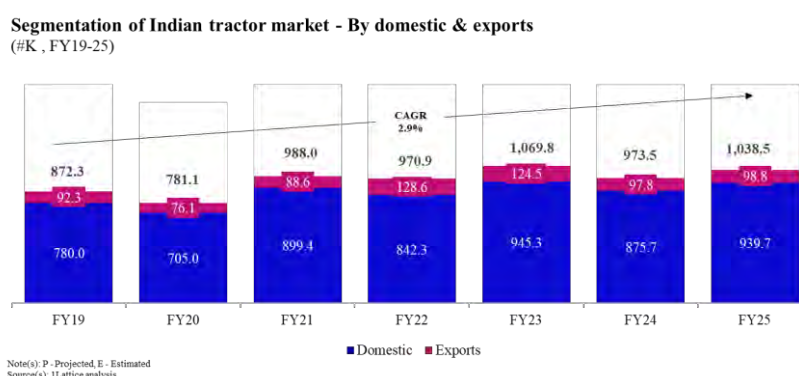
• **Key trends:**

- **Government initiatives towards farm mechanisation:** Government initiatives have played a critical role in promoting mechanisation & supporting tractor demand. The Sub-Mission on Agricultural Mechanisation (SMAM), launched in Fiscal 2015, has been central to this effort, aiming to make machines accessible & affordable for small & marginal farmers. Under this, custom hiring centres (CHCs), hi-tech hubs, & farm machinery banks have been established across the country, particularly in rural & agriculture-intensive regions, to expand access to farm machinery. To support widespread adoption, approximately ₹ 4,557 crore was allocated from Fiscal 2015 to 2021 under SMAM, enabling the distribution of approximately 13 lakhs machines & establishment of approximately 27.5 thousand custom hiring institutions across India. With such initiatives, farm power availability increased from

approximately 2.02 kW/ha in Fiscal 2017 to approximately 2.49 kW/ha in Fiscal 2019, driving wider adoption of tractors & machinery.

- **Increasing localisation and reduced import reliance:** With government emphasis on “Make in India” and supply chain resilience, OEMs are increasingly sourcing components domestically to cut import dependence. This shift is creating opportunities for local suppliers to become critical partners in the manufacturing ecosystem. Domestic players stand to benefit by catering to OEM requirements, as localisation not only reduces costs but also strengthens India’s competitive positioning in global agricultural equipment exports.
- **Emerging export destinations:** New countries are emerging as key destinations for Indian tractor exports, with the U.S. leading at approximately 22.0% share in Fiscal 2024, followed by Brazil (approximately 7.9%), Mexico (approximately 7.1%) & Bangladesh (approximately 5.4%). These markets offer significant headroom for growth, supported by rising mechanisation in agriculture, growing demand for affordable & durable machinery & India’s competitive manufacturing base.
- **Regulatory push with TREM-IV and upcoming TREM-V norms:** The phased rollout of TREM-IV emission regulations and the planned TREM-V standards are compelling tractor OEMs to adopt cleaner engine technologies. While these norms raise compliance costs, they are expected to significantly enhance India’s readiness for regulation-driven global markets, aligning domestic manufacturers with export destinations that already mandate stringent emission standards.
- **Shift towards higher HP tractor models:** The market is witnessing a gradual shift towards higher horsepower tractors, driven by multiple factors. Farmers increasingly prefer to drive tractors themselves rather than rely on hired drivers, making higher HP models more attractive for ease of use. Additionally, farming is becoming more organised, requiring powerful equipment to manage larger operations. A growing shortage of agricultural labour has further supported the transition, as higher HP tractors improve efficiency & reduce dependency on the manual workforce.

These structural drivers are expected to sustain long-term growth in India’s tractor market. Continued policy support, export diversification & evolving farmer preferences are likely to further strengthen demand momentum.



The decline in agricultural tractor exports in Fiscal 2024 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. 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.

Key challenges & threats to the Indian tractor market

Despite the steady growth & government support, India’s tractor market continues to face several structural challenges that constrain large-scale adoption of mechanisation. Small & fragmented landholdings, high upfront costs of equipment, limited financing options, lack of awareness & inadequate after-sales infrastructure remain persistent bottlenecks. These factors, coupled with poor reach into rural interiors & heavy dependence on small & marginal farmers, create significant hurdles that OEMs, policymakers & ecosystem stakeholders must address to unlock the full potential of farm mechanisation in India.



Mahindra & Mahindra, Swaraj, Sonalika, & TAFE serve as the key players in the Indian tractor market, with a collective market share of 66.6%

Mahindra & Sonalika leading the market in terms of volume. On the other hand, John Deere holds a strong market position in the premium equipment segment.

Becoming a supplier to leading agri-equipment OEMs in India is a highly competitive process, driven by stringent qualification requirements & global best practices. Suppliers must demonstrate excellence in quality, sustainability, and compliance while passing rigorous evaluations to be part of OEM vendor ecosystems.

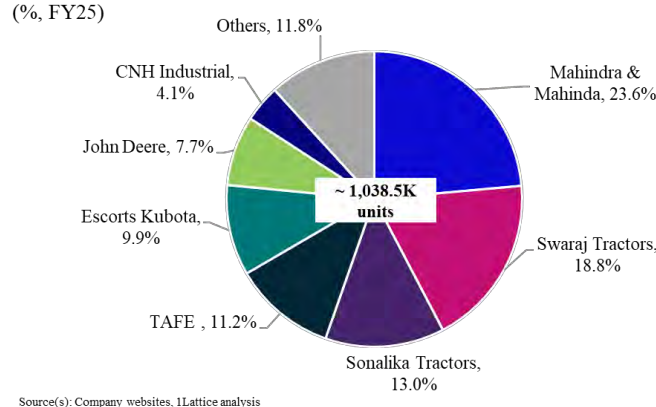
Milestone Gears is a trusted supplier to all seven major tractor brands in India, including Mahindra, Swaraj, Sonalika, TAFE, Escorts, Kubota, John Deere & CNH Industrial, covering approximately 88% of the domestic tractor market & underscoring its extensive presence across the country's tractor industry.

Drivers and opportunities for Indian suppliers:

- Stringent qualification requirements**
 - Mandatory certifications such as ISO 9001:2015, which is a globally recognised quality management system (QMS) standard ensuring consistent quality & process efficiency
 - Adherence to sustainable procurement, quality, technical, and environmental standards.
 - Successful completion of rigorous audits and compliance with customer-specific quality management systems.
- Impact of global sourcing shifts**
 - China+1 strategy has increased global OEM interest in Indian suppliers.
 - India's lower costs, skilled workforce, and policy reforms (e.g., Make in India, PLI schemes) make it a preferred sourcing hub.
- Opportunities for Indian suppliers**
 - Growing global OEM investments and localisation of manufacturing open avenues for expansion.
 - FDI inflows and market liberalisation enhance supplier integration prospects.
- OEM priorities enabling supplier growth**
 - Focus on building resilient supply chains.

- o Increased emphasis on customising products for local market needs.

Key players in the Indian tractor market - By sales volume
(%, FY25)



Indian construction equipment market is projected to grow from approximately ₹ 429.5 billion in Fiscal 2019 to approximately ₹ 898.9 billion in Fiscal 2025

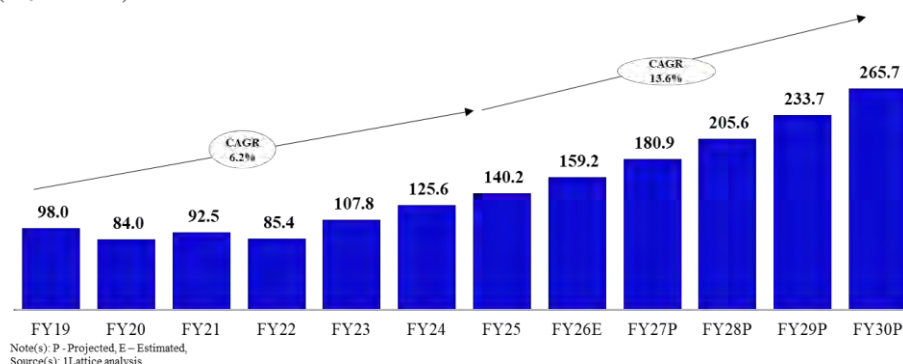
The Indian construction equipment market grew from approximately ₹ 429.5 billion in Fiscal 2019 to approximately ₹ 898.9 billion in Fiscal 2025, reflecting competition in India and overseas CAGR of approximately 13.1% during the period. This growth was largely fuelled by rapid urbanisation and significant infrastructure development initiatives. Government efforts to enhance modern infrastructure spurred a notable increase in demand for construction vehicles, supported by sustained infrastructure spending and a recovery in real estate activity, which lifted equipment demand. Further, the market is projected to reach approximately ₹ 1,732.5 billion by Fiscal 2030, expanding at a CAGR of approximately 14.0% from Fiscal 2025 to 2030, driven by increased adoption of advanced & technology-enabled machinery, rising preference for premium models, higher selling prices & access to financing options that support uptake of higher-value equipment.

India construction equipment market - By value
(INR B, FY19-30P)



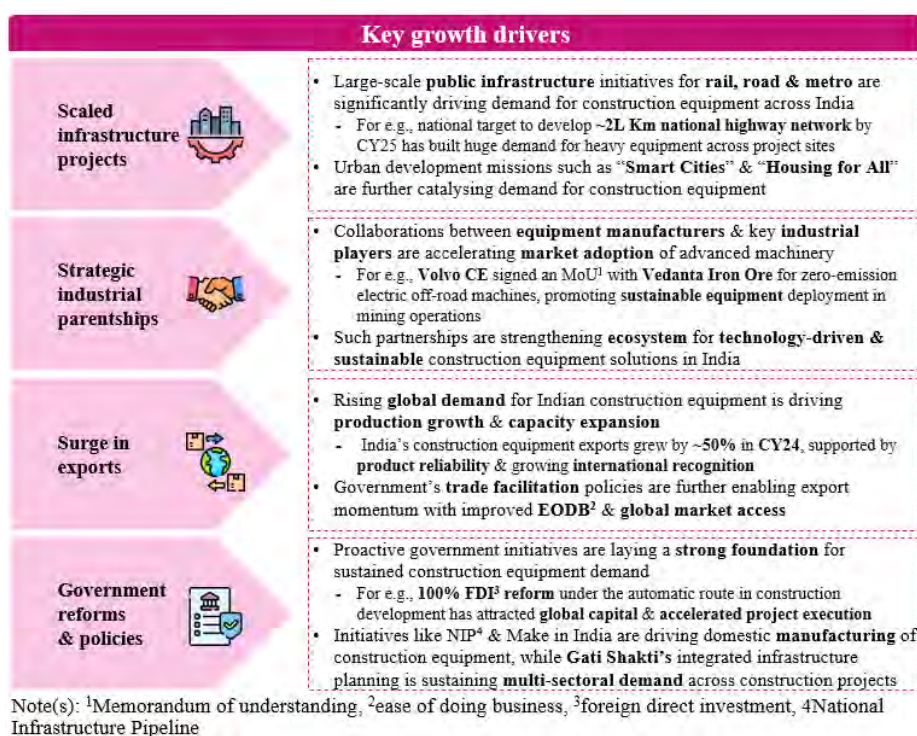
In terms of volume, the market grew from approximately 98.0 thousand units in Fiscal 2019 to approximately 140.2 thousand units in Fiscal 2025, reflecting a CAGR of approximately 6.2% during the period. Growth was supported by sustained government infrastructure spending & recovery in real estate activity. Further, the market is projected to reach approximately 265.7 thousand units in Fiscal 2030, expanding at a CAGR of approximately 13.7% from Fiscal 2025 to 2030, backed by large-scale infrastructure rollout & faster adoption of advanced machinery.

India construction equipment market - By sales volume
 (#K, FY19-30P)



Growth of the construction equipment market in India is driven by large-scale infrastructure projects, key industry partnerships, rising exports & supportive government policies

The Indian construction equipment market is witnessing strong growth, fuelled by large-scale infrastructure development across rail, road & metro segments. This growth is further led by rising strategic collaborations within the industry. Increase in exports coupled with growing global demand & enabling policy environment has further accelerated momentum, positioning India as the third-largest construction equipment market globally.

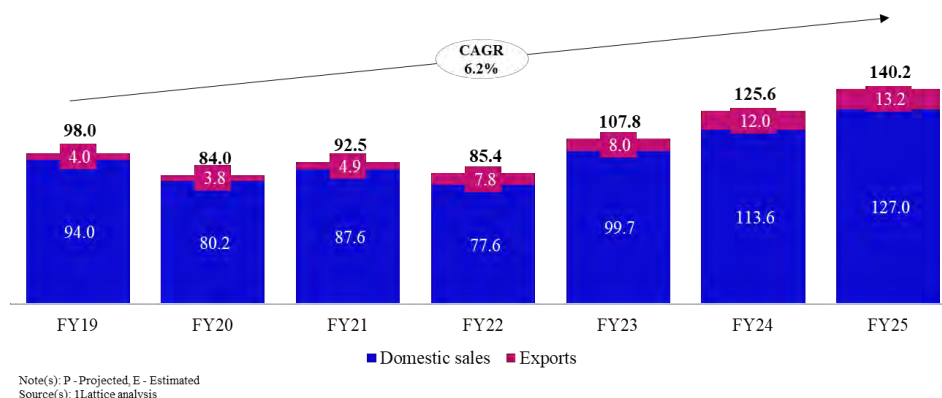


Exports of construction equipment from India contributed approximately 4.0 thousand units in Fiscal 2025, with domestic sales contributing approximately 127.0 thousand units

Indian construction equipment exports rose from approximately 4.0 thousand units in Fiscal 2019 to approximately 13.2 thousand units in Fiscal 2025. This rise in exports in Fiscal 2025 was driven by increased demand from emerging economies like those in the U.S. & the UAE. Meanwhile, domestic demand was fuelled by increased infrastructure spending & surge in public-private partnerships across the construction equipment industry.

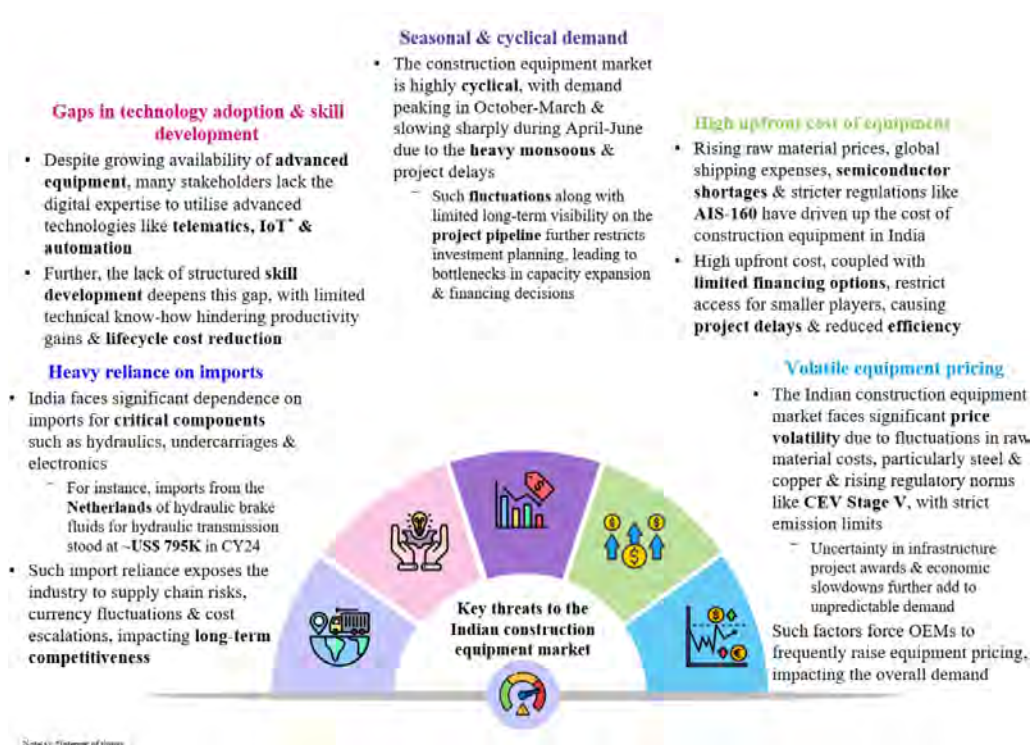
In Fiscal 2024, the leading export destinations for Indian construction equipment were Ghana (approximately 11.7% share), the United States (approximately 10%), the United Arab Emirates (approximately 9.4%), and Saudi Arabia (8.0%). These markets hold strong growth potential, supported by ongoing infrastructure development programs, urban expansion & investment in large-scale construction projects, which could further boost export volumes in the coming years.

Segmentation of Indian construction equipment market - By domestic & exports
 (# K, FY19-25)



Key threats & challenges in the Indian construction equipment market

The Indian construction equipment market faces several key challenges & threats arising from a confluence of factors. High upfront equipment costs, limited financing options, reliance on imported components, volatile raw material prices & stricter regulatory norms like AIS-160 and CEV Stage V are placing pressure on OEMs & project operators alike. These dynamics not only increase operational costs but also create uncertainties in project execution, restrict access for smaller players & impact overall industry efficiency & competitiveness.



Leading OEM players like JCB, Caterpillar, SANY & Volvo CE are expanding their plant capacities in the Indian construction equipment space

The Indian construction equipment industry is witnessing significant capacity expansion, with both global & domestic OEMs making large-scale investments. New facilities, parts centres & production hubs are being set up across key locations, focusing on localisation, digital upgrades & sustainable machinery. These developments are aimed at boosting output, strengthening supply reliability, & positioning India as a global manufacturing hub while meeting rising domestic demand.

Capacity expansion by key OEMs	
OEM	Capacity expansion
 JCB India	- In FY21, JCB India inaugurated its largest parts centre, spanning ~14K sq. m., to cater to Northern India, raising its total warehouse capacity to ~29K sq. m. across key hubs including Pune, Bengaluru, Kolkata & Guwahati - In FY25, the company is further set to invest ~USD 59.8M in its Vadodara plant, focusing on advanced equipment & digital upgrades to boost capacity
 Caterpillar Inc.	In FY24, Caterpillar Inc. signed an MoU with the Tamil Nadu government to invest ~USD 59.8M in expanding its plant capacity, reinforcing its manufacturing footprint in India
 SANY India	In FY25, SANY India expanded its Pune facility to enhance production & localisation, with an annual capacity of ~14K units & fabrication capacity of over ~1L TPA
 Volvo CE	- In FY25, Volvo CE announced an investment of ~USD 167.7M to establish a global hub in Bengaluru for trucks, buses & electric machinery - With this, the production is set to increase from ~3K to ~20K trucks & buses annually, catering to both Indian & international markets

Automotive market - Industry overview

The automotive industry encompasses vehicles designed for passenger transport, commercial logistics & two-wheeled mobility solutions. These vehicles serve diverse applications across personal, industrial & public transportation, with demand shaped by economic activity, urbanisation, regulatory frameworks & technological adoption.

- Passenger vehicles** include cars, SUVs & crossovers, primarily used for personal & family mobility. In Calendar Year 2024, passenger vehicles contributed approximately 67.5 million units to the global automotive market, making them the largest segment by volume. Key factors driving demand include rising urbanisation, increasing disposable incomes, and growing consumer preference for comfort, safety, and connected technologies.
- Commercial vehicles** include trucks, buses & vans, supporting logistics, freight, and public transportation. In Calendar Year 2024, commercial vehicles accounted for approximately 17.6% of the global market by volume. Their demand is being driven by the growth of hub-and-spoke logistics models for e-commerce, a sharp focus from operators on optimising the total cost of ownership (TCO), and the integration of telematics (using sensors and wireless networks to provide insights and enable remote monitoring and management) for enhanced fleet efficiency.
- Two-wheelers** include motorcycles, scooters & mopeds, widely used in emerging markets for affordable personal transport and last-mile mobility. In Calendar Year 2024, two-wheelers accounted for approximately 39.5% of the global market by volume. Affordability, fuel efficiency & urban congestion drive adoption in countries like India and Southeast Asia.

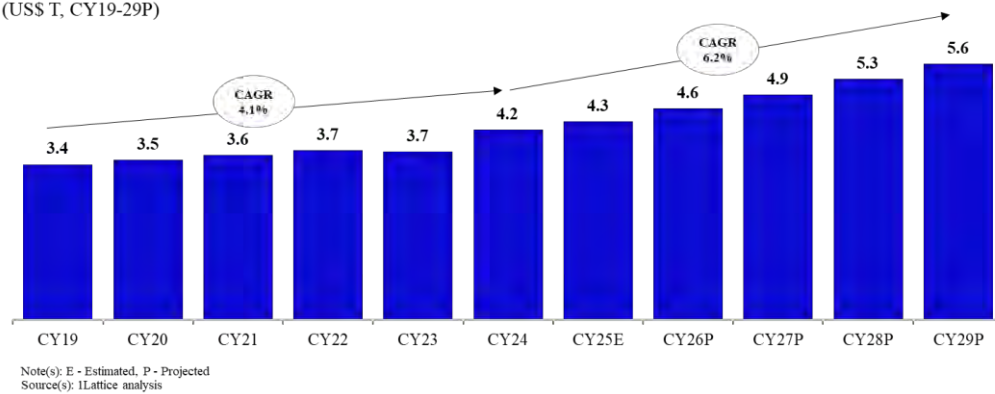
Vehicles across all segments are increasingly influenced by electrification, digital connectivity, and autonomous technologies, which are transforming product design, manufacturing processes, and customer usage patterns. Overall market growth is underpinned by urbanisation, income growth, evolving consumer preferences, and regulatory pushes toward cleaner, safer, and more efficient mobility solutions.

Global automotive market is projected to grow from USD 4.2 trillion in Calendar Year 2024 to approximately USD 5.6 trillion in Calendar Year 2029

The global automotive market expanded from approximately USD 3.4 trillion in Calendar Year 2019 to approximately USD 4.2 trillion in Calendar Year 2024, registering a CAGR of approximately 4.1%. Growth during this period was supported by post-COVID recovery in mobility demand, easing semiconductor shortages & rising replacement demand in developed economies. Looking ahead, the market is projected to reach approximately USD 5.6 trillion by Calendar Year 2029, expanding at a CAGR of approximately 6.2% over Calendar Year 2024 to 2029.

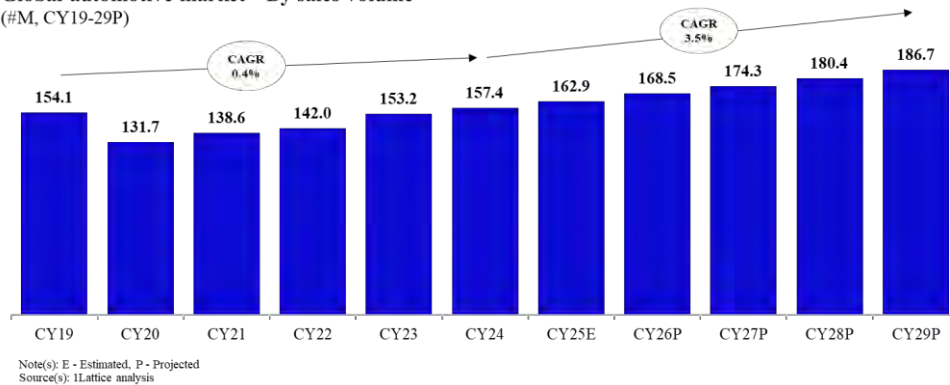
Key drivers include increasing electrification supported by regulatory push, rising adoption of connected & autonomous technologies, and premiumisation trends. In addition, strong demand momentum from emerging markets, fuelled by urbanisation & income growth, is expected to sustain overall industry expansion.

Global automotive market - By value
(US\$ T, CY19-29P)



In terms of volume, the market grew from approximately 154.1 million units in Calendar Year 2019 to approximately 157.4 million units in Calendar Year 2024, registering a CAGR of approximately 0.4%. Over Calendar Year 2024 to 2029, volumes are projected to rise further to approximately 186.7 million units, expanding at a CAGR of approximately 3.5% during the period.

Global automotive market - By sales volume
(#M, CY19-29P)



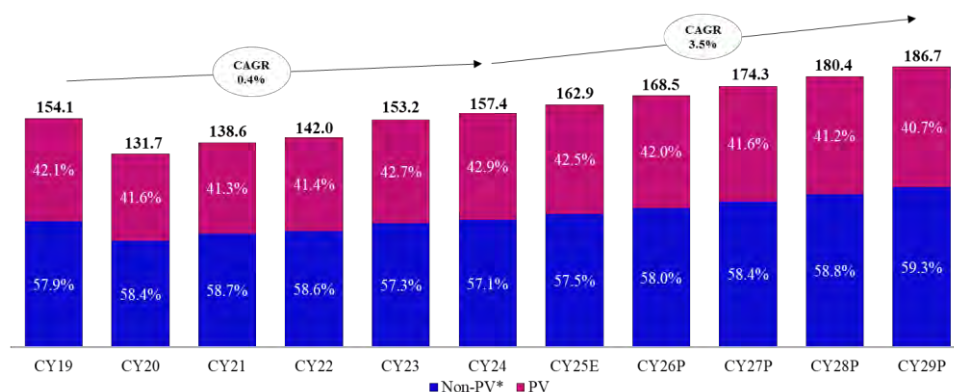
Global automotive market is segmented into passenger vehicles & non-passenger vehicles, with non-passenger vehicle leading in Calendar Year 2024

The global automotive market is segmented into passenger vehicles & non-commercial vehicles (2 wheelers % commercial vehicles). In Calendar Year 2019, passenger vehicles held a approximately 42.1% share, supported by rising urbanisation, improving income levels & growing demand for personal mobility. Non-passenger vehicles followed at approximately 57.9% driven by two-wheeler's affordability & strong uptake in emerging markets.

By Calendar Year 2024, passenger vehicles slightly improved their share to approximately 42.9%, fuelled by premiumisation trends & higher EV adoption in developed markets. Non-passenger vehicles stood at approximately 57.1%.

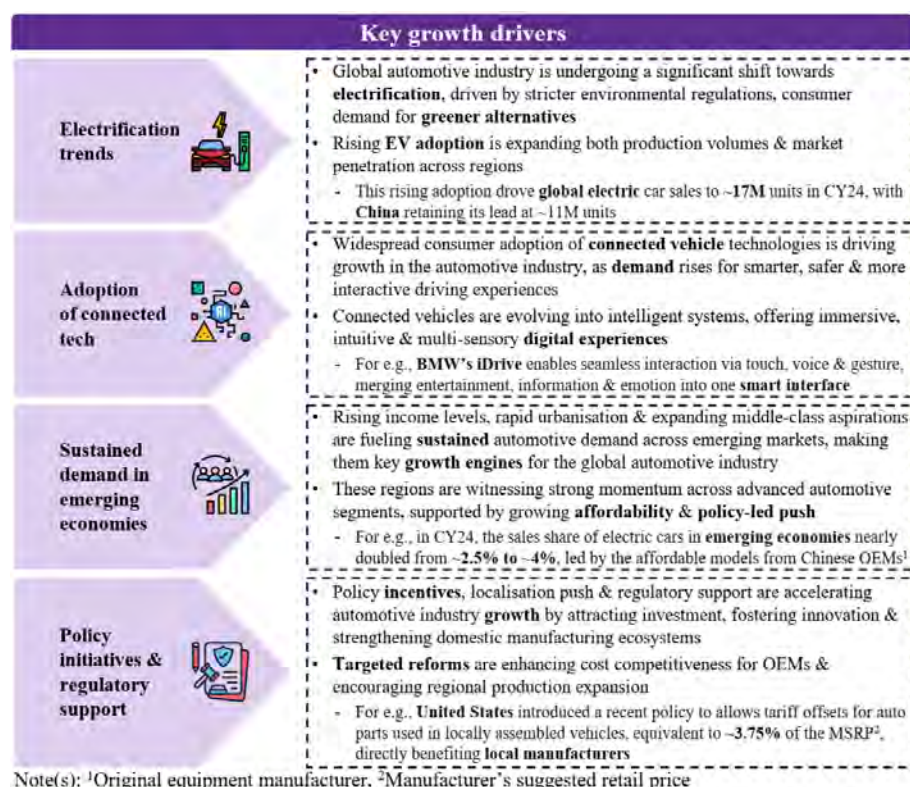
Looking ahead to Calendar Year 2029, passenger vehicles are expected to consolidate to approximately 40.7%, reflecting a structural shift. For non-passenger vehicles, affordability will continue to sustain two-wheeler volumes, and commercial vehicles are expected to be supported by industrial activity & infrastructure spending.

Segmentation of global automotive market - By vehicle category
(# M, CY19-29P)



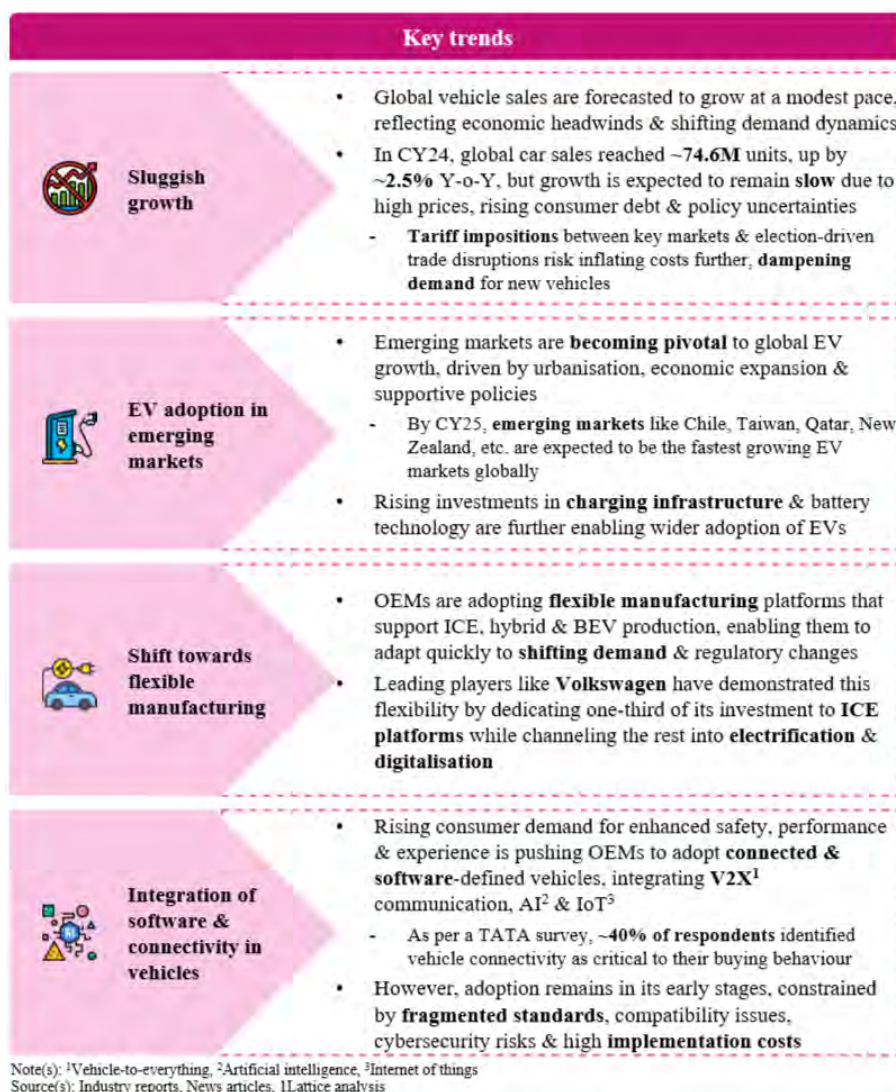
Global automotive industry growth is driven by rising electrification, connected technology, sustained demand & regulatory push

The global automotive industry is being reshaped by four key forces: rising electrification, rapid adoption of connected technologies, sustained demand from emerging markets & strong regulatory push. These drivers are accelerating innovation, strengthening supply chains, and expanding both production & consumption footprints worldwide.



Rising EV adoption, flexible manufacturing, technological integration & market growth are key trends in the global automotive market

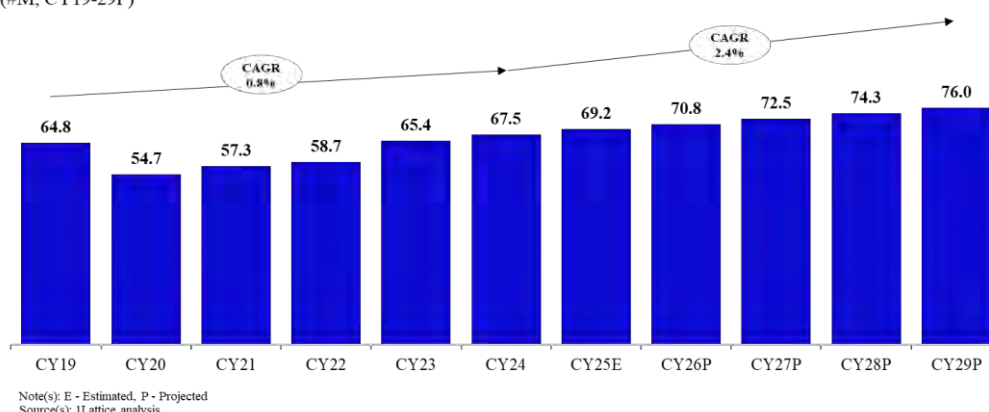
The global automotive industry is undergoing a structural shift, marked by modest sales growth, accelerating EV adoption in emerging markets & OEMs increasingly leveraging flexible manufacturing platforms. At the same time, deeper integration of software & connectivity is transforming vehicles into smarter, more adaptive ecosystems.



Global passenger vehicle market is projected to grow from approximately 67.5 million units in Calendar Year 2024 to approximately 76.0 million units by Calendar Year 2029

The global passenger vehicle market grew from approximately 64.8 million units in Calendar Year 2019 to approximately 67.5 million units in Calendar Year 2024, registering a modest CAGR of approximately 0.8% amid demand slowdown & supply-chain disruptions. By Calendar Year 2029, volumes are projected to reach approximately 76.0 million units, reflecting a stronger CAGR of approximately 2.4% over Calendar Year 2024 to 2029, supported by recovering consumer demand, electrification push & expansion in emerging markets, though growth remains moderate as mature markets near saturation.

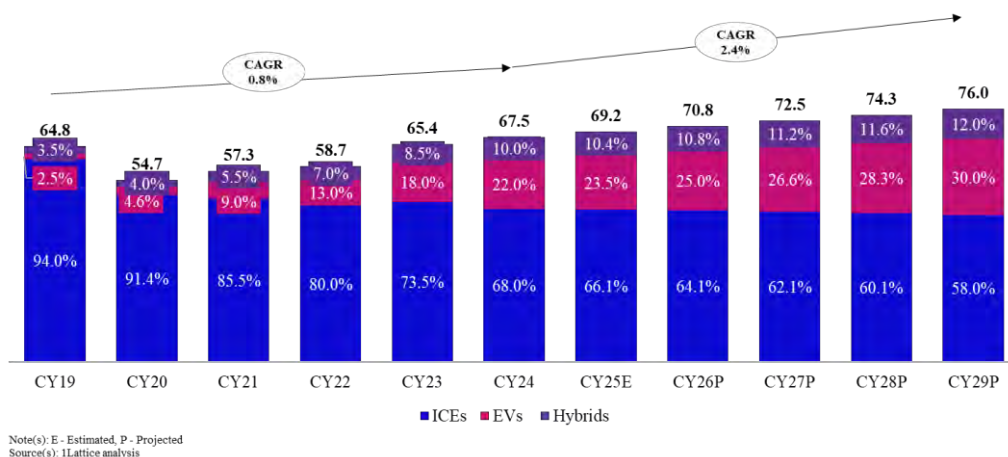
Global passenger vehicle market - By sales volume
(#M, CY19-29P)



EVs expected to make up nearly third of global passenger vehicle market by Calendar Year 2029, up from approximately 22% in Calendar Year 2024

The global passenger vehicle market is segmented into ICEs, EVs & hybrids. In Calendar Year 2019, ICEs dominated with approximately 94.0% share, while EVs & hybrids held approximately 2.5% & approximately 3.5% respectively. By Calendar Year 2024, ICEs declined to approximately 68.0%, as EVs surged to approximately 22.0% & hybrids to approximately 10.0%, highlighting the rapid shift toward alternative powertrains. By Calendar Year 2029, ICEs are expected to further moderate to approximately 58.0%, with EVs expanding to approximately 30.0% & hybrids to approximately 12.0%, marking a decisive transition in global market composition.

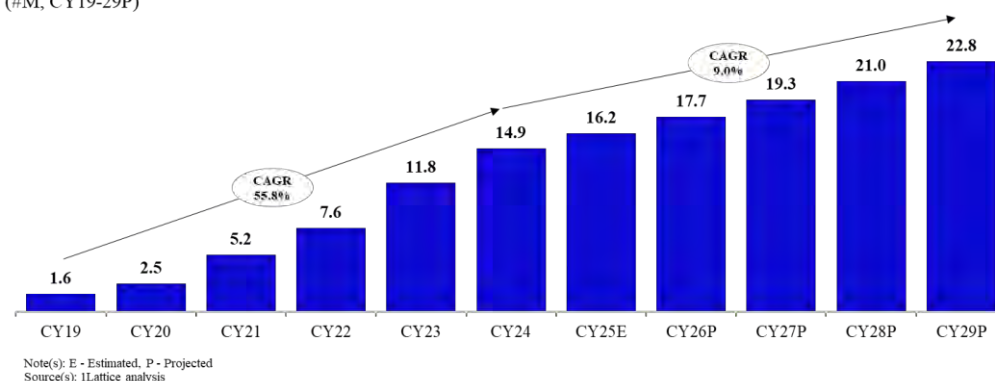
Segmentation of global passenger vehicle market - By powertrain mix
(#M, CY19-29P)



Global passenger EV market is projected to grow from approximately 14.9 million units in Calendar Year 2024 to approximately 22.8 million units in Calendar Year 2029

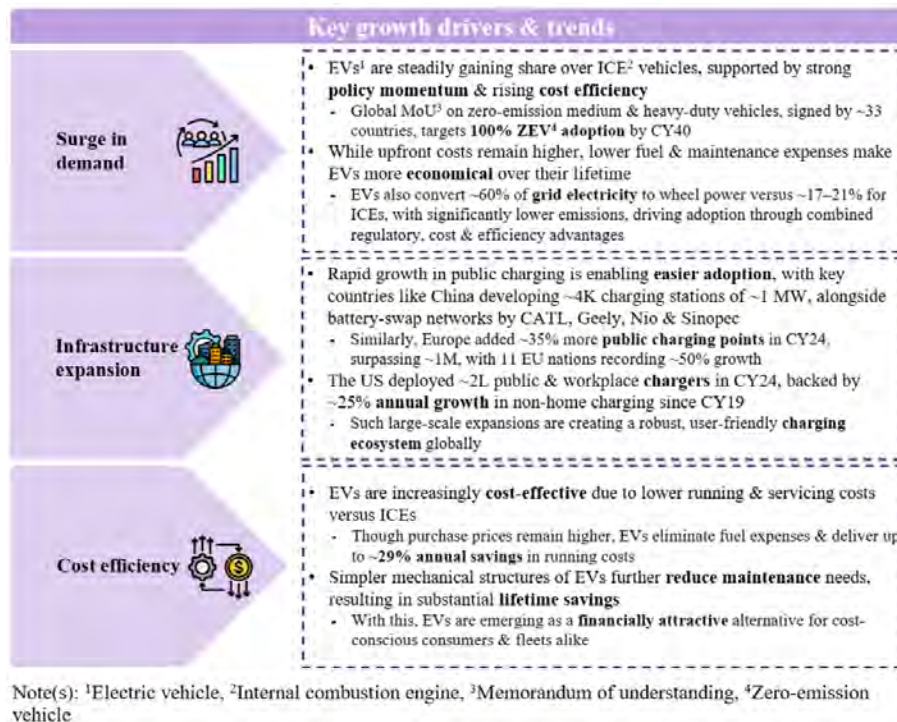
Global passenger EV sales surged from approximately 1.6 million units in Calendar Year 2019 to approximately 14.9 million units in Calendar Year 2024, recording a strong CAGR of approximately 55.8%. The market is projected to expand further to approximately 22.8 million units by Calendar Year 2029, though at a slower CAGR of approximately 9.0% over Calendar Year 2024 to 2029. While early-stage growth was rapid, future expansion will be driven by rising consumer preference for green mobility & wider adoption across markets, supporting sustainable long-term momentum.

Global passenger EV market - By sales volume
(#M, CY19-29P)



Key drivers & trends:

Electric vehicles are witnessing strong global momentum, driven by rising demand, rapid infrastructure expansion & increasing cost efficiency. Supportive policies, technological advancements & large-scale charging deployments are accelerating adoption across key markets. At the same time, lower running costs, maintenance savings & efficiency gains are positioning EVs as a financially attractive alternative to ICEs vehicles, shaping the future of sustainable mobility.



Key government initiatives driving EV adoption across the globe

- Accelerated ZEV targets:** Governments worldwide are setting ambitious targets to boost zero-emission vehicle (ZEV) adoption across light- and heavy-duty segments. These policies aim to reduce greenhouse gas emissions, promote clean mobility, and drive the transition away from internal combustion engines. For instance, the Canadian government has set ZEV sales targets for light-duty vehicles at 26% by Calendar Year 2026, 90% by Calendar Year 2030, and 100% by Calendar Year 2035. Similarly, Belgium, as a signatory to the global MOU on Zero-Emission Medium- and Heavy-Duty Vehicles, targets 30% ZEV sales in medium- and heavy-duty vehicles by Calendar Year 2030 and 100% by Calendar Year 2040.
- Rising subsidies for EV purchase & adoption:** To accelerate EV adoption & reduce upfront costs, several countries are introducing targeted financial incentives. For instance, the French government provides subsidies covering approximately 30% of the cost for installing publicly accessible EV chargers. Similarly, Georgia promotes EV adoption through VAT exemptions & reduced import taxes for electric & hybrid vehicles. In Morocco, the government offers reduced duties, green loans & subsidies, along with exemptions from luxury & road taxes for EVs.
- Push towards zero emission:** Governments are setting ambitious regulatory targets to phase out ICE vehicles & accelerate the transition to zero-emission mobility. For example, New Zealand, as a signatory to the COP26 ZEV Declaration, aims for all sales of new cars and vans in leading markets to be zero-emission by no later than Calendar Year 2035. Similarly, Norway targets 100% zero-emission acquisitions for light-duty vehicles in civil government fleets by Calendar Year 2035, with additional goals for medium- and heavy-duty vehicles like city buses to be ZEV or biogas by Calendar Year 2025

Such global policy measures are fostering widespread EV adoption worldwide, supporting a decisive shift from traditional ICE vehicles toward cleaner & zero-emission mobility.

Key players in the global passenger vehicle EV market include Tesla, Volkswagen, Geely & Hyundai, forming a collective market share of approximately 22%

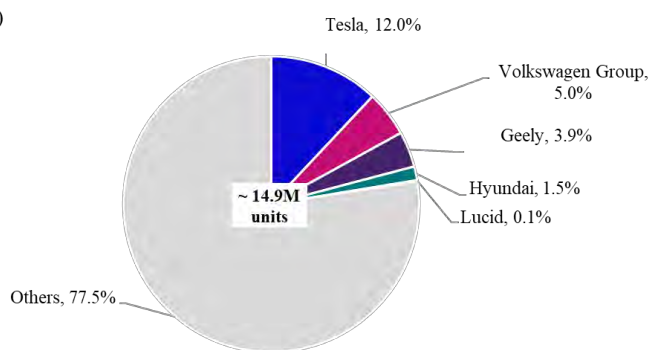
The global EV market is still at a relatively nascent yet fast-evolving stage, with leadership concentrated among a few global giants while a large number of emerging players steadily expand their footprint.

In Calendar Year 2024, Tesla remained the clear leader with approximately 12% share, supported by its global scale, first-mover advantage & strong technology positioning. BYD followed as the second-largest player in the same period. Established automakers like Volkswagen Group (approximately 5%), Geely (approximately 3.9%) & Hyundai (approximately 1.5%) also consolidated presence across key regions through diversified product portfolios & regional market plays.

At the same time, other players accounted for approximately 77.6% of the market, reflecting the growing influence of newer entrants & regional OEMs, particularly in China & Europe. These companies, while individually holding smaller shares, are collectively shaping the competitive intensity by addressing localised demand, offering affordable EV options & benefiting

from strong policy support.

Key players in the global passenger EV market - By sales volume
(%, CY24)

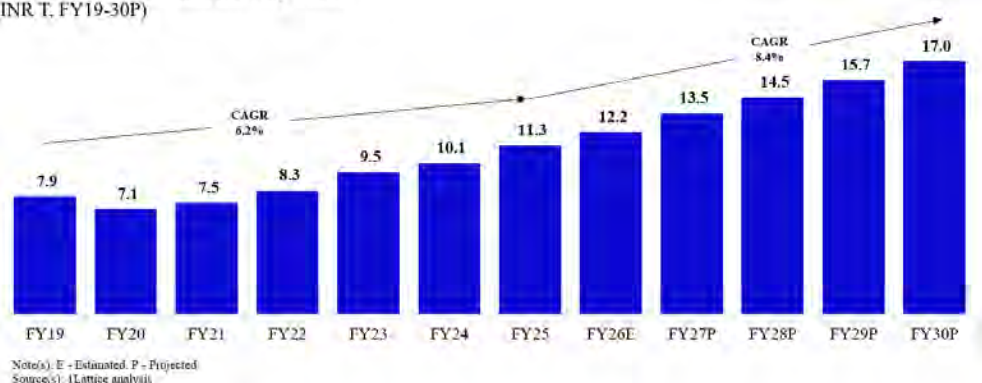


Source(s): Company websites, ILLattice analysis

Indian automotive market is projected to grow from approximately ₹ 11.3 trillion in Fiscal 2025 to approximately ₹ 17.0 trillion in Fiscal 2030

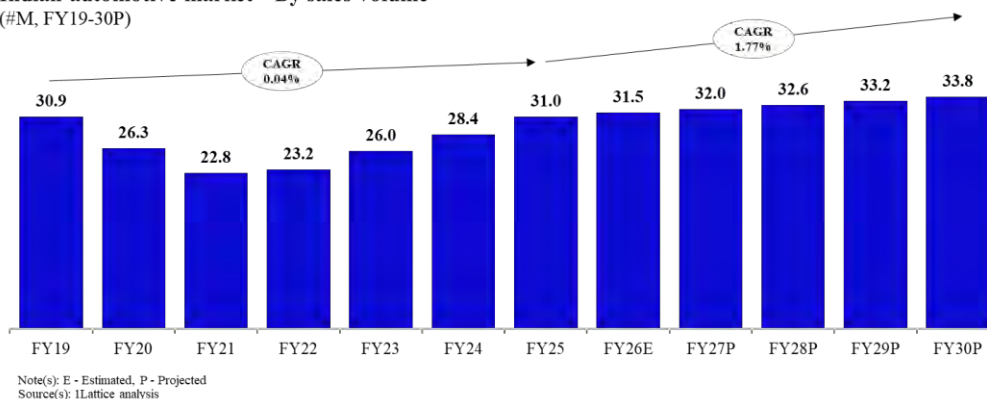
The Indian automotive market expanded from approximately ₹ 7.9 trillion in Fiscal 2019 to approximately ₹ 11.3 trillion in Fiscal 2025, recording a CAGR of approximately 6.2% driven by rising consumer incomes, better road infrastructure & post-COVID demand recovery. By Fiscal 2030, the market is expected to reach approximately ₹ 17.0 trillion, reflecting a stronger CAGR of approximately 8.4% over Fiscal 2025 to 2030, supported by robust replacement demand, electrification momentum, government incentives & sustained growth across passenger & commercial vehicles.

Indian automotive market - By value
(INR T, FY19-30P)



In terms of volume, the Indian automotive market remained relatively flat, with approximately 30.9 million units in Fiscal 2019 to approximately 31.0 million units in Fiscal 2025, reflecting a CAGR of approximately 0.04%, this was primarily due to pandemic induced dip in sales with demand rebounding in Fiscal 2023. Looking ahead, volumes are expected to rise to approximately 33.8 million units by Fiscal 2030, translating into a modest CAGR of approximately 1.8% over Fiscal 2025 to 2030, supported by steady demand recovery, electrification trends & rising replacement cycles.

Indian automotive market - By sales volume
(#M, FY19-30P)



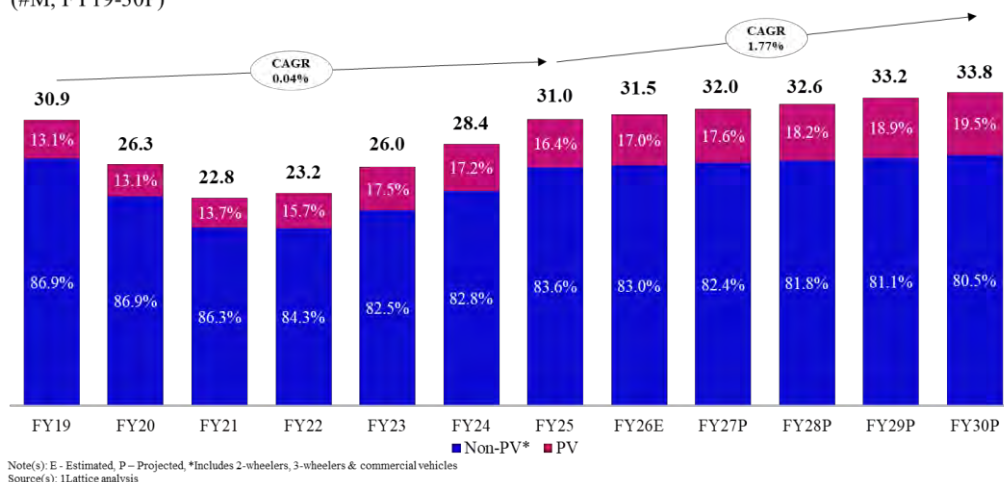
Passenger vehicles share expected to rise from approximately 16.4% in Fiscal 2025 to approximately 19.5% by Fiscal 2030

The Indian automotive market is dominated by non-passenger vehicles (two wheelers, three wheelers and commercial vehicles), holding approximately 86.9% share in Fiscal 2019. Passenger vehicles followed with approximately 13.1% share.

By Fiscal 2025, non-passenger vehicles remained the largest segment at approximately 83.6%, though passenger vehicles improved to approximately 16.4%, driven by rising urbanisation, disposable incomes & personal mobility preferences.

Looking ahead, non-passenger vehicles are expected to moderate to approximately 80.5% by Fiscal 2030, as passenger vehicles rise to approximately 19.5% on the back of premiumisation, EV adoption & expanding middle-class aspirations.

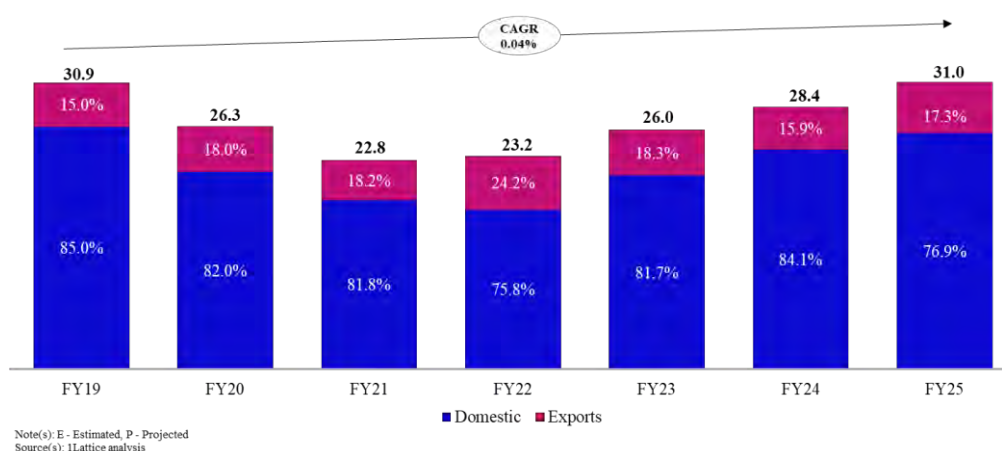
Segmentation of Indian automotive market - By vehicle category
(#M, FY19-30P)



By domestic and export segments, the Indian automotive market has historically been dominated by domestic sales, which accounted for approximately 85% of total sales in Fiscal 2019. This strong domestic share is driven by robust internal demand, rising vehicle ownership, and expanding urban mobility. However, by Fiscal 2025, the domestic share is projected to decline to approximately 76.9%, reflecting the growing contribution of exports.

Exports have gradually risen from approximately 15% in Fiscal 2019 to approximately 17.3% in Fiscal 2025, driven by the growing competitiveness of Indian manufacturers, adherence to global quality standards & integration into international supply chains. Initiatives such as “Make in India, make for the world” have further strengthened the export ecosystem, enabling manufacturers to meet both OEM & aftermarket demand in global markets.

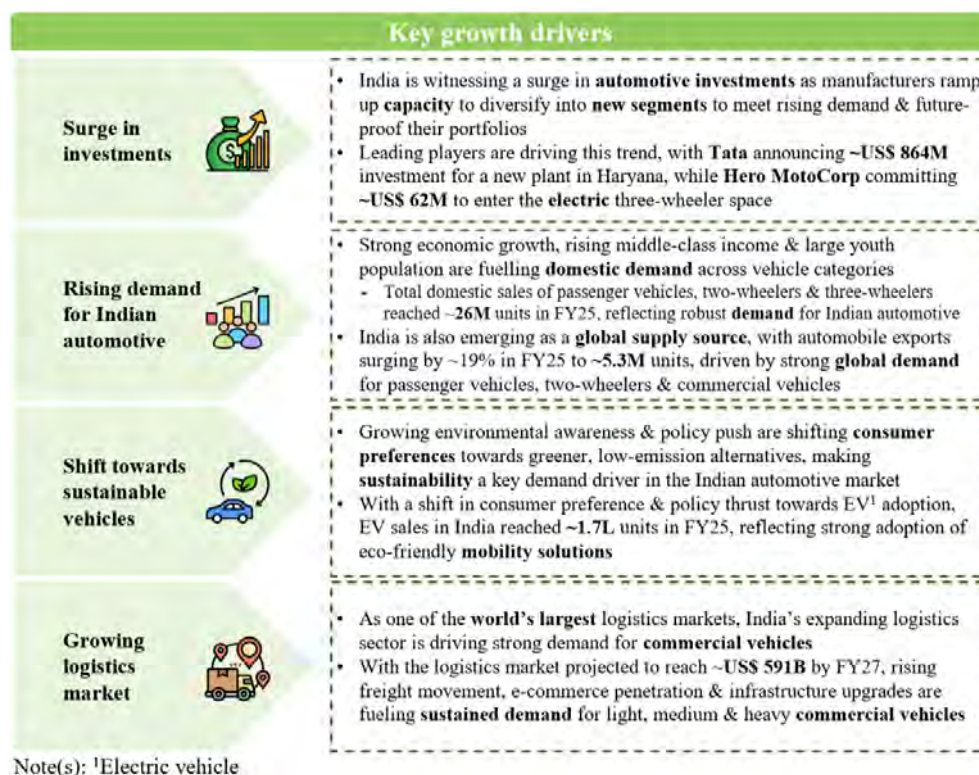
Segmentation of Indian automotive market - By domestic & exports
(#M, FY19-30P)



Rising investments, growing demand, sustainable mobility shift & expansion in logistics drive the Indian automotive market

India's automotive industry is gaining strong momentum, supported by rising domestic demand, increasing investments &

supportive policy reforms. The rapid expansion of logistics and a growing transition toward sustainable mobility are further shaping the sector's long-term growth trajectory.



Government policies including PLI scheme, scrappage policy, FAME incentives & localisation mandates are bolstering India's automotive industry

The Government of India has rolled out multiple strategic initiatives to accelerate growth & transformation in the automotive sector. Key policies including the production linked incentive (PLI) scheme, vehicle scrappage policy, Faster Adoption & Manufacturing of Hybrid & Electric Vehicles (FAME) incentives & localisation mandates, are aimed at strengthening domestic manufacturing, promoting clean mobility, attracting investments & enhancing global competitiveness.

- PLI scheme:** Launched with a budgetary outlay of approximately USD 3.1 billion to boost the manufacturing of advanced automotive technology products in India. It promotes deep localisation & supports the development of domestic & global supply chains, helping strengthen India's position as a competitive hub for advanced automotive manufacturing
- Scrappage policy:** Designed to phase out old, unfit & polluting vehicles through a nationwide ecosystem of Registered Vehicle Scrapping Facilities (RVSFs) & Automated Testing Stations (ATs). With over 60 RVSFs & 75 ATs already operational across multiple states, the policy supports cleaner mobility & boosts demand for new vehicles, thereby creating a positive ripple effect across the automotive value chain
- FAME incentives:** Provides upfront incentives on electric vehicle purchases, making EVs more affordable & accelerating its adoption. Incentives are linked to battery capacity with approximately ₹ 10 thousand per KWh for electric 3-wheelers & 4-wheelers and approximately ₹ 15 thousand per KWh for electric 2-wheelers. By reducing the effective cost for consumers, the scheme supports EV penetration & drives demand in India's growing electric mobility segment
- Localisation mandates:** To promote 'Make in India' & strengthen domestic manufacturing, government procurement norms now prioritise vehicles & components made locally. Under the PLI Auto scheme, beneficiaries must meet a minimum of 50% domestic value addition (DVA) to qualify for incentives. This push toward localisation has driven significant investment and job creation, reinforcing India's self-reliance in the automotive supply chain
- UK-India FTA:** A historic bilateral trade deal between India & UK, designed to strengthen economic ties with India. For the automotive sector, it eliminates duties on approximately 99% of Indian exports, creating new opportunities for auto parts & engine suppliers. By improving market access & reducing trade barriers, the agreement boosts India's export competitiveness while supporting collaboration on advanced technology, clean mobility & sustainable automotive manufacturing.

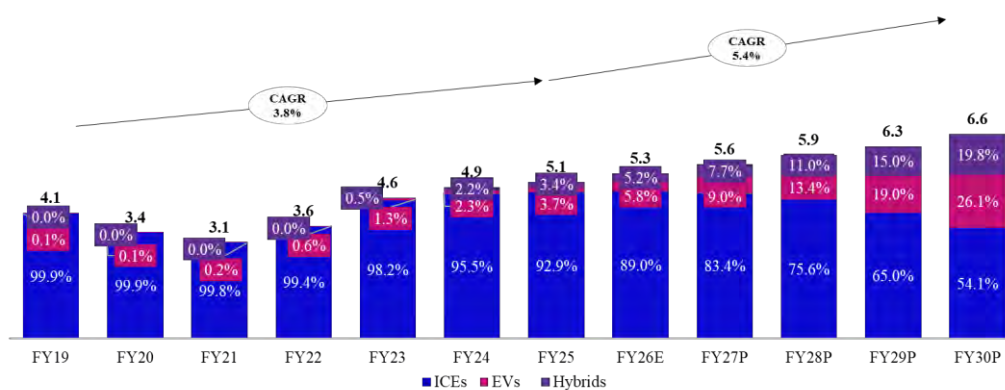
Indian passenger vehicle market is segmented into ICEs, EVs & hybrids, EVs' and hybrids' shares expected to climb

from approximately 3.7% & approximately 3.4% respectively in Fiscal 2025 to approximately 26.1% & approximately 19.8% respectively by Fiscal 2030

The Indian passenger vehicle market is segmented into ICEs, EVs & hybrids. In Fiscal 2019, ICEs dominated with approximately 99.9% share, while EVs (approximately 0.1%) & hybrids (approximately 0.0%) were negligible. By Fiscal 2025, ICEs retained the majority at approximately 92.9%, but EVs (approximately 3.7%) & hybrids (approximately 3.4%) gained traction. Looking ahead to Fiscal 2030, ICE share is expected to fall to approximately 54.1%, while EVs (approximately 26.1%) & hybrids (approximately 19.8%) together approach half the market, signalling a structural transition driven by incentives, rising fuel costs & consumer preference for sustainable mobility.

Passenger EV sales in India are set to grow rapidly, rising from 3.7% of total passenger vehicles in Fiscal 2025 to 26.1% by Fiscal 2030. This translates to an increase in units sold from approximately 0.19 million vehicles in Fiscal 2025 to approximately 1.7 million vehicles in Fiscal 2030. Over this period, the volume of passenger EVs is expected to expand at a robust CAGR of approximately 56.0%, reflecting accelerating adoption and a strong shift towards electric mobility in the country.

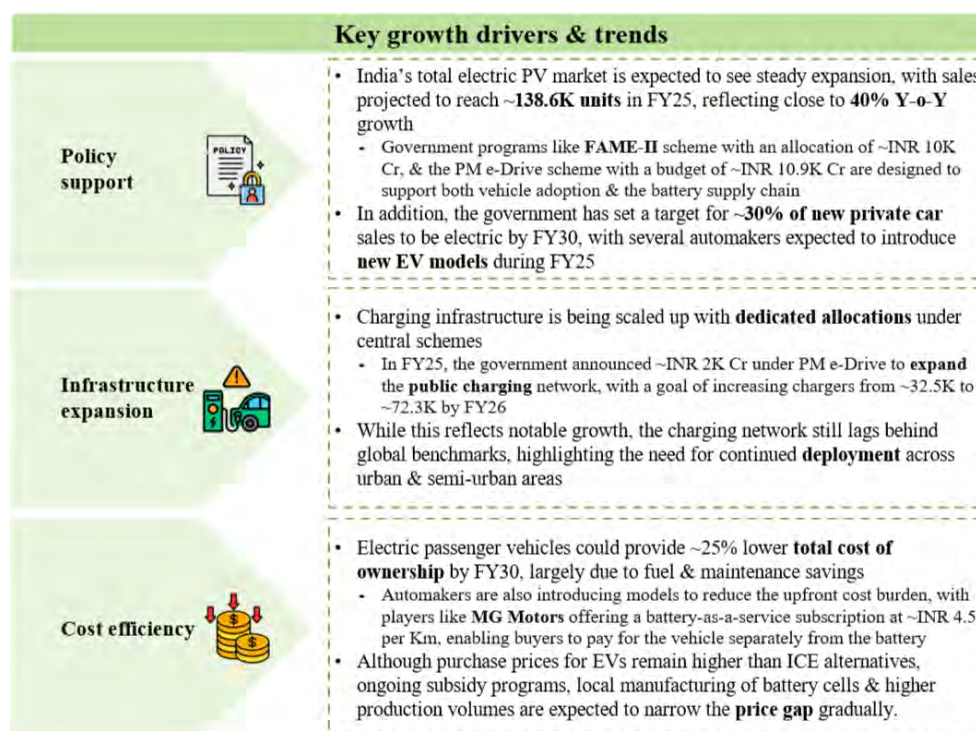
Segmentation of Indian passenger vehicle market - By powertrain mix
(#M*, FY19-30P)



Note(s): E - Estimated, P - Projected, *Sales volume
Source(s): 1.Lattice analysis

Supportive government policies, expansion of infrastructure, & cost efficiency serve as the key drivers & trends of EV penetration in the passenger vehicle segment in India

The rapid penetration of electric vehicles in the India is being supported by the following drivers:



Total cost of ownership (TCO) analysis of 4W ICE vs EV passenger vehicle over 5 years

The total cost of ownership (TCO) analysis highlights that while EVs have a higher upfront purchase price compared to ICE

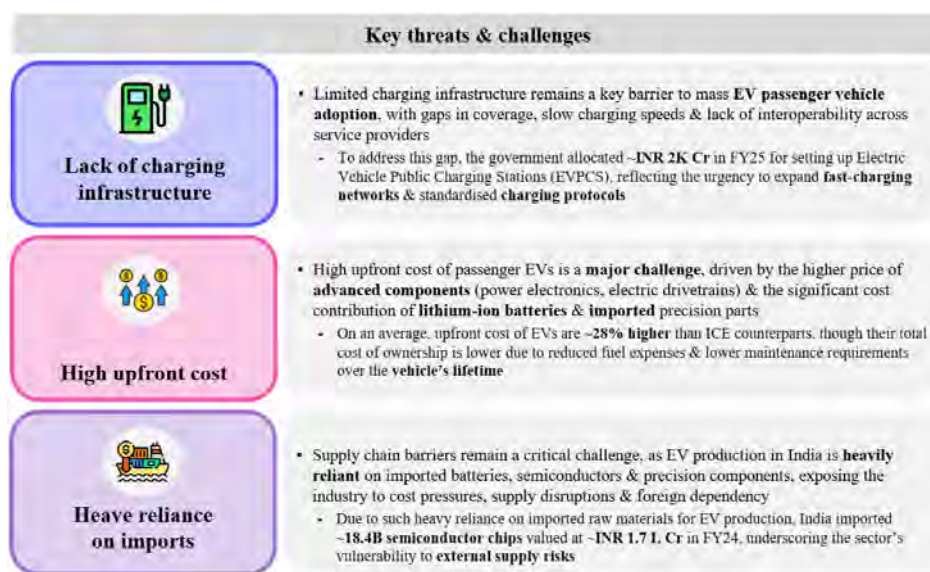
vehicles (approximately ₹ 16 lakhs vs approximately ₹ 12.5 lakhs), their overall ownership cost is significantly lower. This advantage arises from fewer moving parts, reduced running costs & lower maintenance expenses. Consequently, EVs achieve a 5-year TCO of approximately ₹ 8.3 lakhs, nearly 25% lower than ICE vehicles at approximately ₹ 11.1 lakhs, underscoring the long-term economic viability of EV adoption despite the initial cost barrier.

TCO analysis for 4W ICE vs EV passenger cars (5-year period)			
4W passenger car	Unit	ICE	EV
Retail price	INR	~12,50,000	~16,00,000
Rate of depreciation for 5 years	%	~60%	~50%
Residual price after 5 years	INR	~5,01,000	~7,90,000
Mileage	Km/L or Km/kW	~21.5 Km/L	~43.1 Km/kW
Annual running distance	Km	~12,500	~12,500
Annual fuel / electricity consumption	L / kW	581.4	290.2
Fuel / electricity cost per Km	INR	~100.5	~9.8
Running cost over 5 years	INR	~2,92,000	~14,100
Cost of maintenance & service over 5 years	INR	~65,000	~31,300
TCO	INR	~11,09,000	~8,33,600

Note(s): Retail price is calculated as an average of ex-showroom prices of different 4W passenger vehicles models

Inadequate charging infrastructure, high upfront costs & heavy import dependence remain the key bottlenecks constraining growth in the Indian passenger EV market

Despite strong policy support & growing consumer interest, the Indian passenger EV market continues to face several structural challenges that could hinder large-scale adoption. Key concerns include the high upfront cost of EVs driven by expensive batteries & precision components, inadequate charging infrastructure with limited fast-charging coverage & deep reliance on imported raw materials & electronic parts. Addressing these bottlenecks will be critical to ensuring sustained, inclusive EV growth in the country.

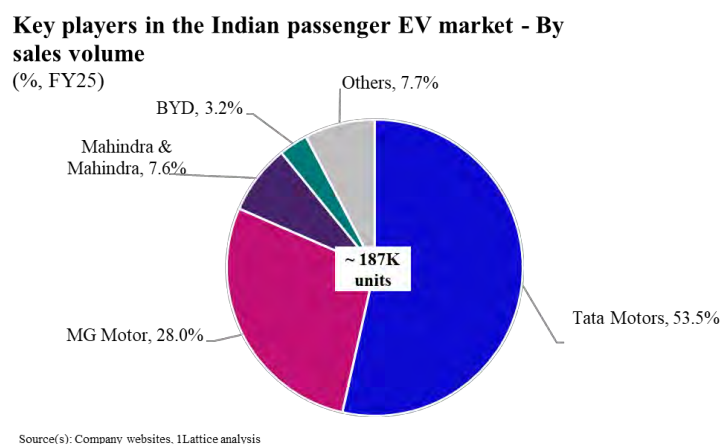


Key players in the Indian passenger EV market include Tata Motors, MG Motor, Mahindra & BYD, collectively forming a market share of approximately 92%

The Indian passenger EV market is undergoing rapid consolidation, with a few leading players capturing the bulk of demand.

The segment has seen strong momentum driven by government incentives, evolving customer preferences & widening product portfolios. Tata Motors has retained clear leadership, leveraging its early-mover advantage, wide product range & strong distribution network. MG Motor has swiftly ramped up its presence by targeting the urban consumer base with feature-rich models, while Mahindra & Mahindra has strengthened its position in the SUV EV segment. Global entrant BYD is gradually scaling up operations, reflecting a growing share in the market.

In Fiscal 2025, Tata Motors dominated with approximately 53.5% share, followed by MG Motor at approximately 28%. Mahindra & Mahindra holds approximately 7.6%, while BYD accounts for approximately 3.2%. The remaining approximately 7.7% is distributed among smaller OEMs & niche players. This distribution highlights a market where leadership is concentrated among a few, but competitive intensity is steadily increasing.



Auto components market - Industry overview

The automotive & off-highway component industry comprises a broad spectrum of parts, including engines, transmissions, suspensions, braking systems, electrical & electronic modules, drivetrains, and EV-specific technologies. These components serve passenger vehicles, commercial vehicles, two-wheelers & other off-highway machinery such as tractors, harvesters & construction equipment.

The industry has evolved steadily, driven by rising vehicle production, technological innovation & a shift toward electrification. OEMs & tier-1 suppliers are increasingly investing in advanced powertrains, battery systems, thermal management & lightweight materials to meet stricter emission, safety & efficiency standards.

Changing mobility trends & the adoption of electric and hybrid vehicles are reshaping demand patterns, creating growth opportunities for specialised components. At the same time, global supply chains are realigning, with suppliers diversifying production bases, strengthening resilience & forming strategic partnerships to enhance competitiveness.

Overall, the industry is undergoing a structural transformation, marked by innovation, electrification & smart manufacturing. Suppliers capable of delivering high-precision, technologically advanced components are poised to capture long-term growth opportunities across both conventional & emerging vehicle platforms.

Global auto & off-highway components market is projected to grow from approximately USD 2.0 trillion in Calendar Year 2024 to approximately USD 2.5 trillion by Calendar Year 2029

Between Calendar Year 2019 and Calendar Year 2024, the global auto & off-highway components market grew moderately, rising from approximately USD 1.8 trillion in Calendar Year 2019 to approximately USD 2.0 trillion in Calendar Year 2024 at a CAGR of approximately 2.3%. This period reflected a gradual recovery from the COVID-19 pandemic, which had initially disrupted supply chains and dampened demand. As economies reopened, vehicle production rebounded, driving demand for both conventional and advanced components.

A notable shift toward electrification also emerged, with OEMs and Tier-1 suppliers diversifying their portfolios to support electric & hybrid platforms, particularly in battery systems, electric drivetrains, and thermal management. Looking ahead, the market is projected to expand more rapidly, from approximately USD 2.0 trillion in Calendar Year 2024 to approximately USD 2.5 trillion in Calendar Year 2029, reflecting a CAGR of approximately 4.1% and driven by structural changes in mobility and manufacturing.

Accelerated EV adoption across developed & emerging markets is expected to boost demand for specialised components such as electric drive systems, battery modules, and software integration. At the same time, large-scale investments in infrastructure

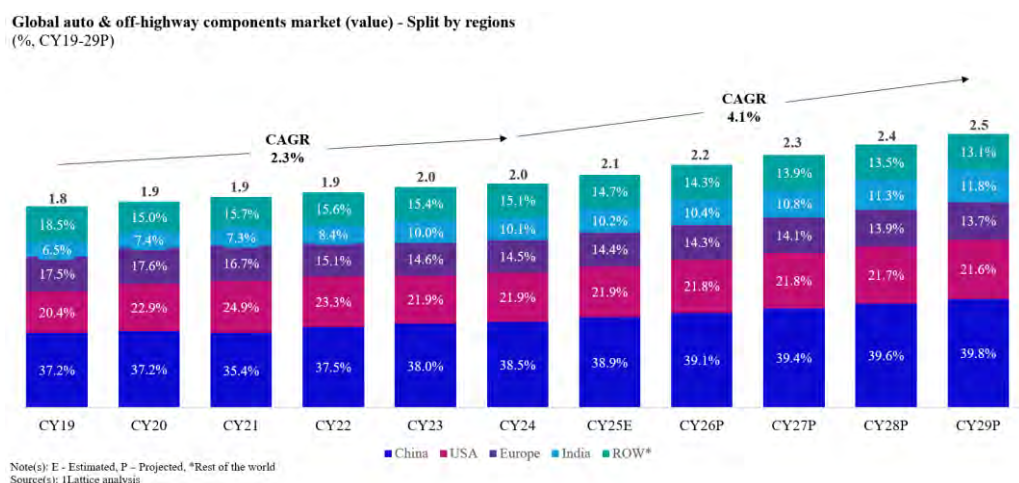
& mining, particularly in North America and Asia Pacific, are fuelling demand for off-highway equipment and related components. Global supply chains are also realigning as companies diversify sourcing and production bases to enhance resilience, a shift that is encouraging regional manufacturing and strengthening localised component suppliers.



Regionally, China led the market with an approximately 37 to 38% share during Calendar Year 2019 to 2024, supported by its strong automotive manufacturing base, cost-efficient supply chain & dominance in EV & battery ecosystems. The USA followed with an approximately 20 to 22% share, driven by large domestic demand, high aftermarket potential & advanced technology adoption. Europe accounted for approximately 17% in Calendar Year 2019 but declined to approximately 14% by Calendar Year 2024, as stricter emission norms, rising energy costs & supply disruptions pressured OEM production & sourcing.

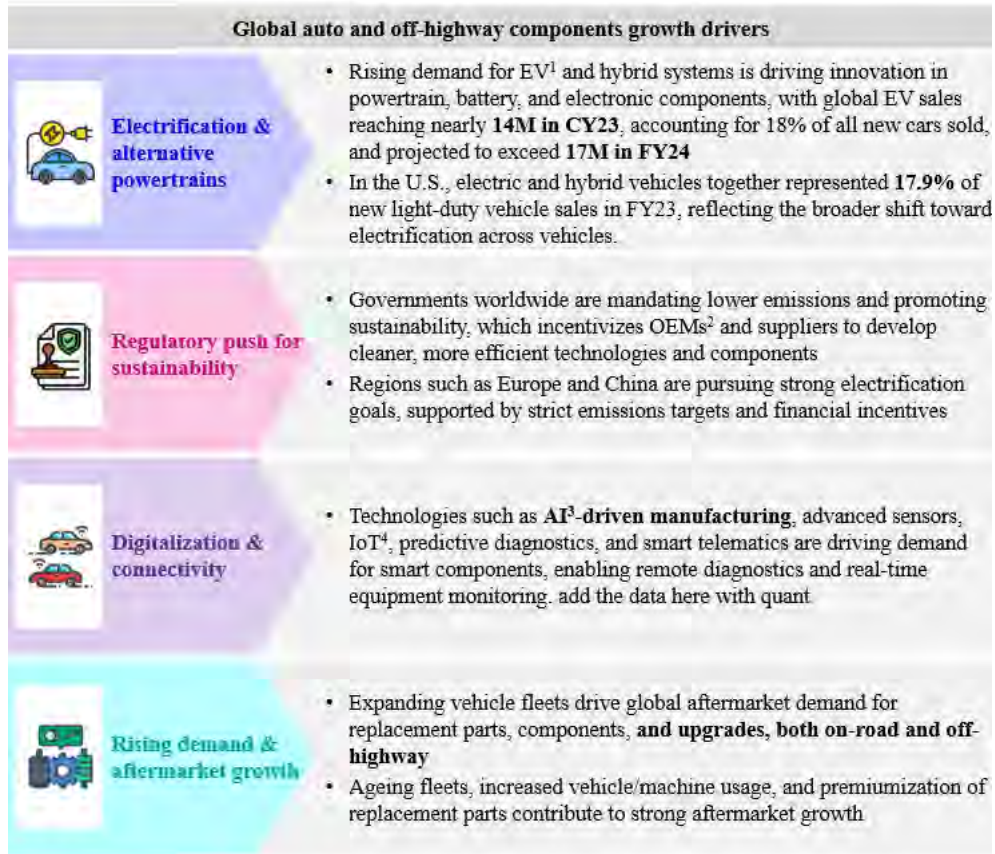
India's share rose from approximately 6% in Calendar Year 2019 to approximately 10% in Calendar Year 2024, benefiting from cost competitiveness, the localisation pushes under Make in India & rising exports to OEMs in the US & Europe. The ROW, comprising Japan, South Korea, ASEAN, Latin America & Africa, fell from approximately 18% in Calendar Year 2019 to approximately 15% in Calendar Year 2024, reflecting slower demand growth, heavy import reliance, and supply chain shifts toward India & China.

Looking ahead, China is expected to maintain dominance at a stagnant approximately 39 to 40% by Calendar Year 2029, as growth plateaus amid capacity saturation. The USA is projected to edge up to approximately 22%, supported by sustained aftermarket demand & EV adoption. Europe is likely to decline further to approximately 13% due to structural cost pressures & the gradual shift of component sourcing to Asia. India's share is forecast to expand to approximately 12%, underpinned by export growth, supplier base expansion & rising traction in EV components. ROW is expected to moderate to approximately 13% by Calendar Year 2029, with growth in Japan, South Korea & ASEAN partly offset by weaker performance in Latin America & Africa.



Key drivers promoting growth globally

Several key factors drive the global auto and off-highway components market:

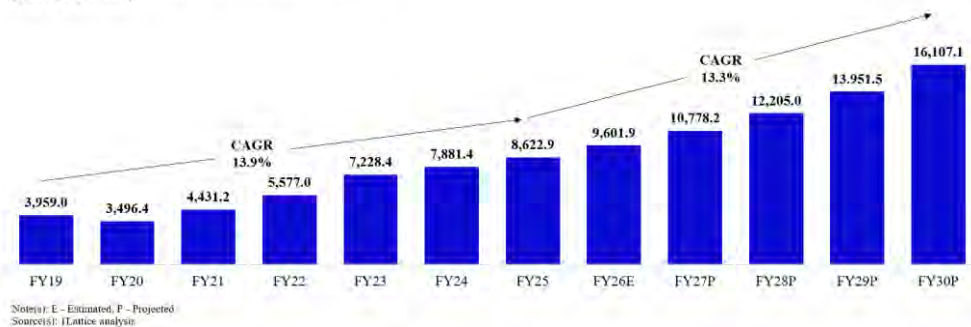


Note(s): ¹Electric vehicle, ²Original equipment manufacturer, ³Artificial intelligence, ⁴Internet of things

India auto & off-highway components market is expected to grow from approximately ₹ 8,662.9 billion in Fiscal 2025 to approximately ₹ 16,107.1 billion by Fiscal 2030

The Indian auto & off-highway components market (in terms of sales) witnessed a strong recovery from the disruptions caused by the COVID-19 pandemic, expanding from approximately ₹ 3,959.0 billion in Fiscal 2019 to approximately ₹ 8,622.9 billion in Fiscal 2025 at a CAGR of approximately 13.9%. Looking ahead, the market is projected to grow further, reaching approximately ₹ 16,107.1 billion by Fiscal 2030 at a CAGR of approximately 13.3%.

India auto and off highway component market (value)
(INR B, FY19-30P)

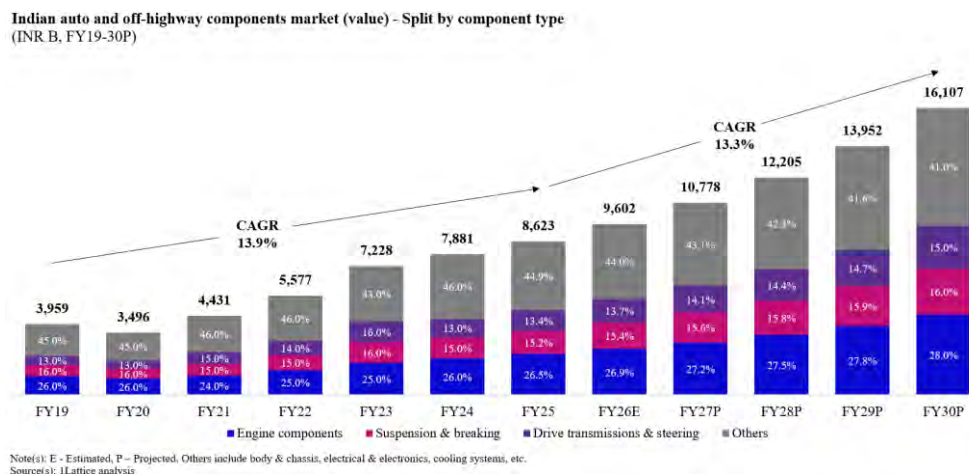


The market is witnessing growth, driven by a confluence of global & domestic factors.

- On the global front, the shift toward a China+1 strategy has encouraged multinational companies to increasingly source from India to diversify risks. Simultaneously, OEMs are localising supply chains to reduce costs and meet regulatory norms, boosting demand for domestically manufactured components. India's skilled workforce, cost competitiveness, and expanding R&D capabilities are reinforcing its position as a global hub for precision manufacturing.
- On the domestic front, the revival of economic activity has fuelled strong internal demand, while rising exports signal the improved competitiveness of Indian suppliers in international markets. Enhanced infrastructure and higher capital expenditure have further accelerated industry momentum. Additionally, government initiatives such as the PLI scheme are incentivising manufacturing investments, resulting in a surge in component production.

India auto and off-highway components market by component type

Between Fiscal 2019 and Fiscal 2025, engine components dominated the market, accounting for 26.5% of the total value in Fiscal 2025, respectively. Suspension & braking components also held a sizeable share, reflecting their continued relevance across both ICE & electrified platforms. Notably, engine component manufacturing remains technology & capital intensive, creating high entry barriers, particularly for smaller players & the unorganised segment.



India auto & off-highway components market by supply type

OEM supply accounted for the majority share at approximately 66.1% in Fiscal 2025. Key OEMs, having >20% share in retail market segments include (for Fiscal 2025 as per FADA data):

- **Two-wheeler OEMs:** Hero MotoCorp Ltd. (28.8%) & Honda Motorcycle and Scooter India (P) Ltd. (25.4%)
 - o **EV:** Ola Electric Technologies Pvt. Ltd. (29.9%), TVS Motor Company Ltd. (20.7%), & Bajaj Auto Ltd. (20.1%)
- **Passenger vehicle OEMs:** Maruti Suzuki (40.2%)
 - o **EV:** Tata Motors Passenger Vehicles Ltd. (53.5%) & MG Motor India Pvt. Ltd. (28.0%)
- **Tractor OEMs:** Mahindra and Mahindra Ltd. (23.6%)
- **Commercial vehicle OEMs:** Tata Motors Ltd. (33.5%) & Mahindra & Mahindra Ltd. (25.5%)
 - o **EV:** Tata Motors Ltd. (48.5%)

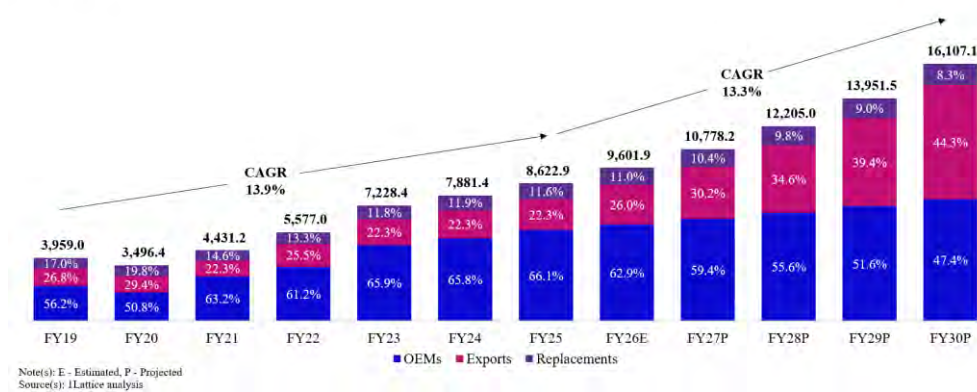
Replacement (aftermarket) and exports contributed 22.3% and 11.6% in Fiscal 2025 respectively. Between Fiscal 2025 and Fiscal 2030, exports and replacement segments are expected to outpace OEM growth, supported by ageing vehicle fleets and diversification of global sourcing, even as OEM demand continues to anchor overall volumes.

Within the components mix, engine components currently contribute the largest share, followed by suspension and braking systems. However, the next wave of growth is likely to be led by advanced powertrain technologies, lightweight materials, and EV-specific components, reflecting the industry's transition toward electrification as well as stricter emission and safety norms.

India's major export markets for auto components include the United States, Europe (notably Germany, the UK, France, and Italy) & the Asia-Pacific region. The country holds a competitive edge due to its cost-efficient manufacturing base, a large skilled and semi-skilled workforce, robust policy support under initiatives like Make in India and the Production Linked Incentive (PLI) scheme, and a rapidly modernising ecosystem aligned with Industry 5.0.

These advantages, combined with India's strategic geographic proximity to key automotive markets and its position as the world's second-largest steel producer, allow it to deliver quality components at significantly lower costs compared to Europe and Latin America. As a result, the Indian auto components market is poised for strong growth, with exports projected to reach approximately ₹ 7,135 billion (USD 100 billion) by Calendar Year 2030, driven by rising demand, sustained innovation, and favourable trade policies.

Indian auto and off-highway components market (value) - Split by supply type
(INR B, FY19-30P)



Industrial partnerships & deals overview: In the Indian off-highway market, major OEMs have entered into significant partnerships to strengthen technology adoption and localisation.

- **ZF Group:** Secured a multi-year contract with a major commercial vehicle OEM to supply AxTrax 2 electric axles and transmission systems for medium-duty buses and heavy trucks, advancing electrification in the sector.
- **DEUTZ & TAFE Motors:** Entered into a strategic partnership to manufacture up to 30 thousand engines annually in India, aiming to serve both domestic and Asia-Pacific (APAC) markets.
- **Balkrishna Industries Ltd. (BKT):** Announced a ₹ 3,500 crore investment as part of a five-year strategy to expand manufacturing and upgrade technology for its agricultural, mining, industrial, and construction tyres.

India's auto and off-highway component exports are steadily rising, with a diversified global footprint and growing demand across key markets

India's auto and off-highway component exports are steadily rising as the country strengthens its position as a cost-competitive and reliable alternative to China in global supply chains. Drive transmission and steering components form a major share of Indian exports, contributing nearly 1/3rd of overall Indian exports in Fiscal 2024.

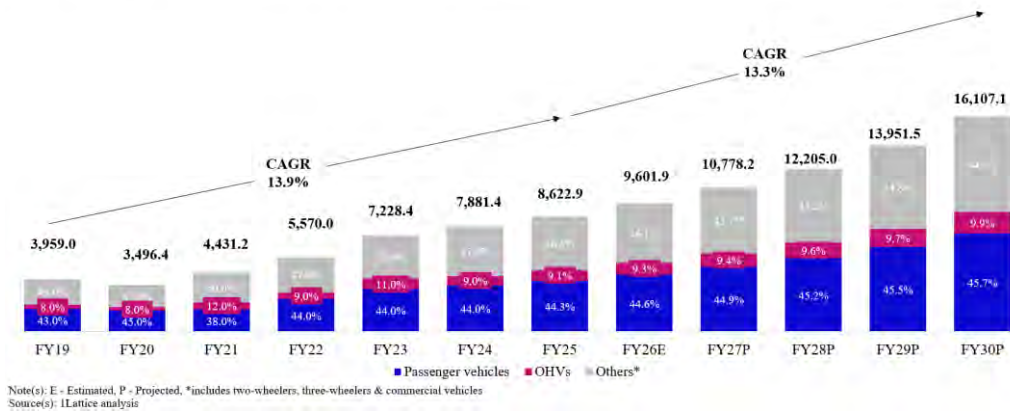
In Fiscal 2025, the U.S. accounted for the largest market with approximately 32% of exports, followed by Europe accounting for 29.5%, and Asia accounting for 26%. In Fiscal 2024, the U.S. was the largest market with approximately 27% share, supported by its vast OEM base, strong aftermarket demand, and active supply-chain diversification away from China. Germany followed with approximately 8%, leveraging India's engineering depth to support its advanced automotive hubs, while Turkey (approximately 5%) emerged as a strategic re-export hub for Europe and West Asia.

The UK, Thailand & Italy contributed approximately 3% each, reflecting stable aftermarket demand. Southeast Asia is also becoming a key growth opportunity, with regional manufacturing expansion driving demand for Indian components. The remaining approximately 51% share was distributed across other regions, highlighting India's diversified export footprint, underpinned by quality, scale, and policy support.

India auto and off-highway components market by vehicle segments

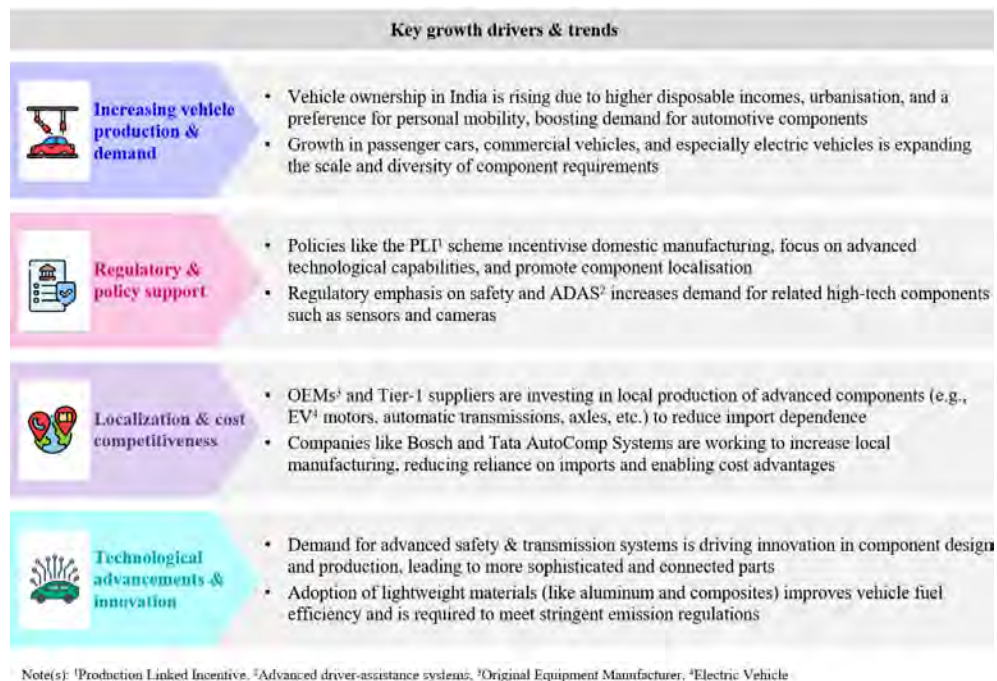
In Fiscal 2025, component demand closely reflected vehicle production patterns, with passenger vehicles (PVs) accounting for approximately 44.3% and off-highway vehicles (OHVs) at approximately 9.1%, tractors specifically contributed approximately 7.2%. Between Fiscal 2025 and Fiscal 2030, share of passenger vehicles (PVs) is expected to rise to approximately 45.7%. At the same time, demand from OHVs is also likely to accelerate.

Indian auto and off-highway components market - Split by vehicle segments
(INR B, FY19-30P)



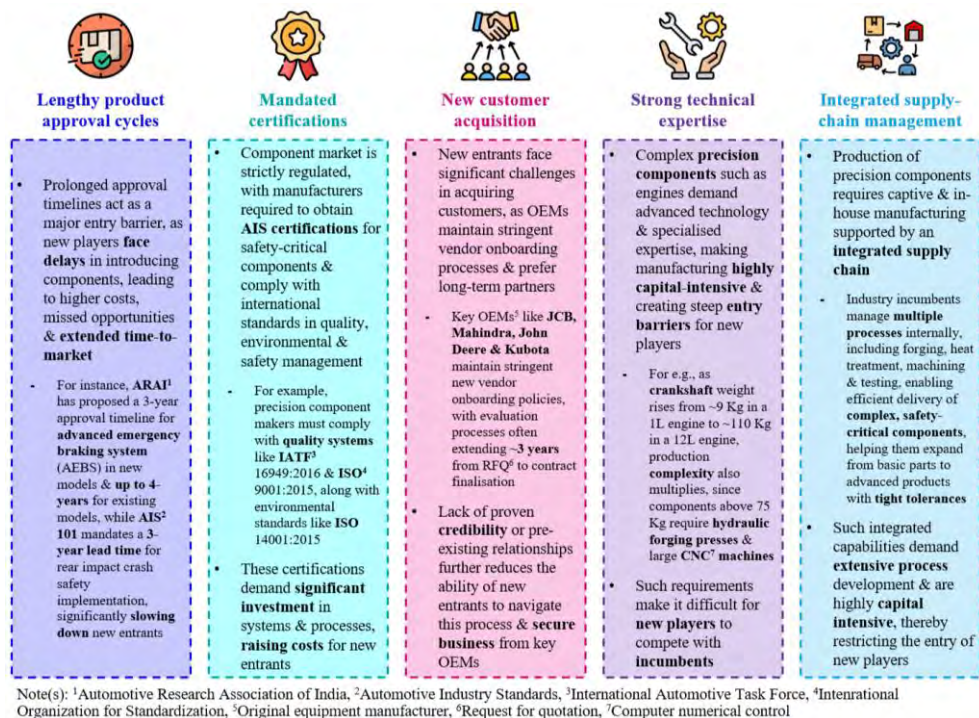
Key drivers & trends promoting growth in India

India's auto & off-highway components market is being propelled by a combination of rising domestic demand, deeper integration into global supply chains, and sustained government support. These factors, together with cost competitiveness and a strong localisation push, are positioning India as a critical hub for automotive and off-highway component manufacturing.



Key entry barriers in the Indian component market

The Indian precision components market is characterised by high entry barriers that limit the participation of new players. Stringent product approval cycles, mandated certifications, complex customer acquisition processes & the need for strong technical expertise create significant hurdles. In addition, integrated supply-chain management, supported by advanced manufacturing infrastructure, further strengthens the position of incumbents, making it challenging for new entrants to match the scale, quality & compliance standards required by OEMs & Tier-1 suppliers.



Different types of geared components are used in EV drivetrains to manage torque, control speed & optimise overall drivetrain efficiency

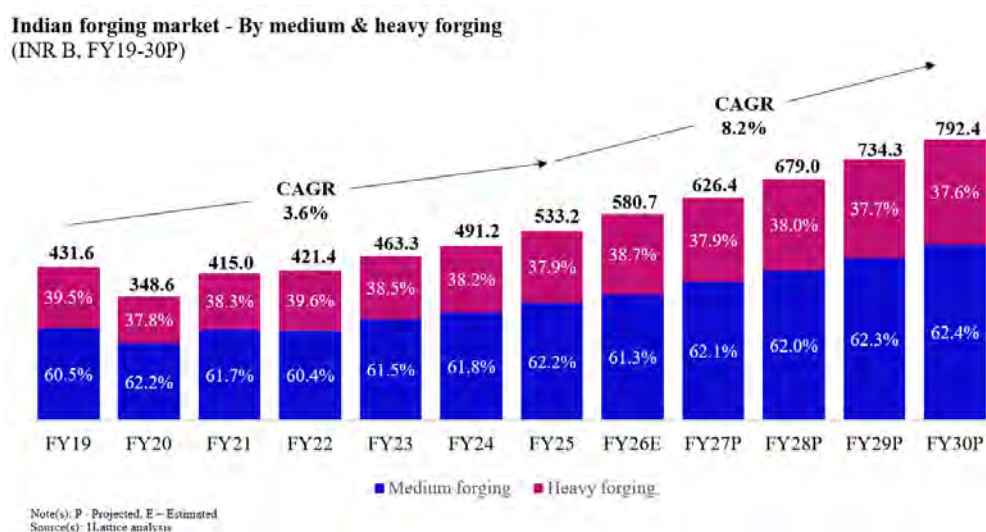
Electric vehicles employ a variety of geared components that enable smooth power transmission from the motor to the wheels. These gears are essential for managing torque delivery, regulating motor speed, and enhancing drivetrain performance, while also improving overall efficiency & optimising space within the vehicle design.

Types of geared components			
Geared component	Placement		Function
	Precision planetary gears	Inside transmission unit or e-axle	Enables compact torque conversion & speed reduction
	Reduction gears	Between electric motor & axle	Reduced motor speed & increases torque to wheels
	Integrated e-axles	Mounted at front, rear or both axles	Combines motor, gears & differential for efficient drive
	Differential gears	Within the e-axle or rear housing	Distributes torque between left & right wheels during turns
	Bevel gears	At the shifting point of torque direction	Transfers torque between intersecting shafts
	Spur gears	Within reduction gear stage	Transfers motion between parallel shafts
	Helical gears	Inside multi-stage transmission units	Delivers smooth & quiet power transmission
	Internal gears	Around planet gears in transmission	Enables compact torque delivery as a planetary set
	Spiral bevel gears	At rear axle or e-axle assemblies	Provides angled torque transfer with smooth motion

Indian forging components market is projected to grow approximately ₹ 533.2 billion in Fiscal 2025 to approximately ₹ 792.4 billion by Fiscal 2030

The Indian forging market (domestic) expanded from approximately ₹ 431.6 billion in Fiscal 2019 to approximately ₹ 533.2 billion in Fiscal 2025, registering a CAGR of approximately 3.6%. Growth is projected to accelerate, with the market expected to reach approximately ₹ 792.4 billion by Fiscal 2030 at a CAGR of approximately 8.2%. This reflects a strong demand revival, driven by rising automotive production, localisation efforts under government schemes & growing export momentum, positioning forging as a critical backbone for both domestic manufacturing & global supply chains. Beyond cyclical growth,

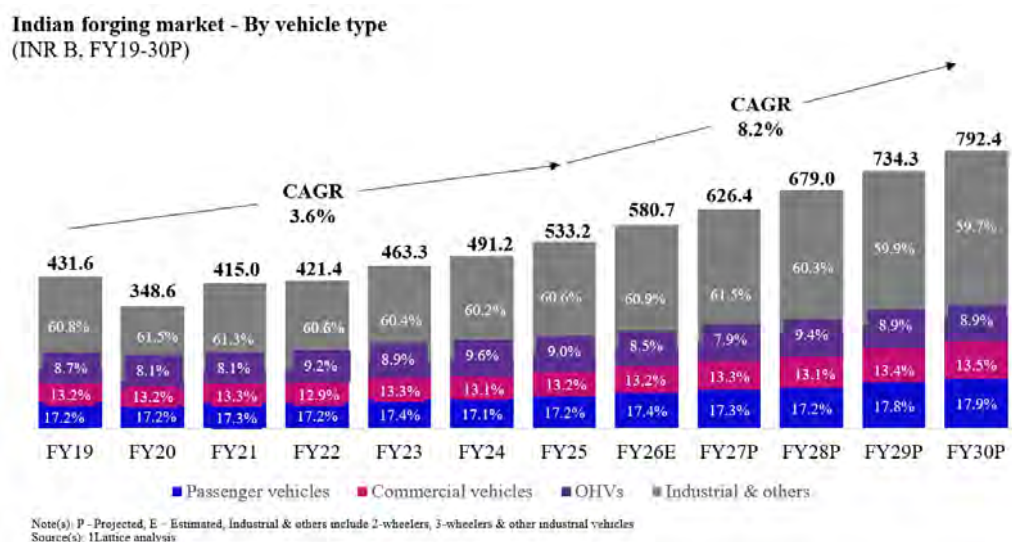
the sector is also benefiting from India's transition toward value-added engineering, with forgings gaining prominence in high-precision applications across EVs, automobiles, off-highway vehicles, railways, etc., enhancing its long-term strategic relevance.



Of the overall forging market, medium forging accounted for approximately 60% during Fiscal 2019 to 2025, with heavy forging making up the remaining approximately 40%. Looking ahead, the share of medium forging is expected to rise slightly to approximately 62%, supported by sustained growth in EVs, two-wheelers & light commercial vehicles. In contrast, heavy forging demand, largely tied to capital goods, oil & gas & power sectors, are expected to remain stable at approximately 39%, constrained by slower project cycles & import competition.

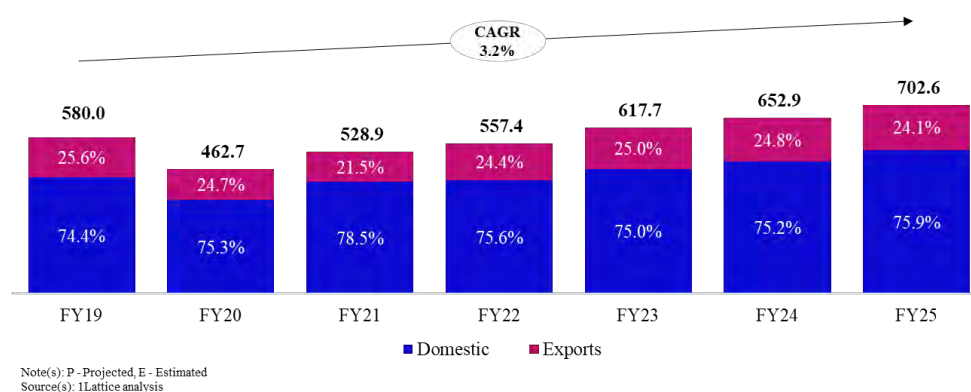
Indian forging components market by vehicle type

Between Fiscal 2019 to Fiscal 2025, industrial vehicles & passenger vehicles accounted for the bulk of forged component demand, holding approximately 60.6% & 17.2% share in Fiscal 2025, respectively, while CVs contributed approximately 13.2%. From Fiscal 2025 to Fiscal 2030, industrial & passenger vehicles are expected to remain dominant, supported by infrastructure development & rising use of daily transport vehicles, sustaining demand for robust forged parts such as internal ring gears, bull gears, rock shafts & transmission components.



Exports have consistently made up nearly one-fourth of Indian forging market, highlighting high competitiveness and capability to supply to global OEMs

Segmentation of Indian forging market - By domestic & exports
(INR B, FY19-25)



Exports in the Indian forging market have contributed 24 to 25% during Fiscal 2019 to 2025 to the Indian forging market; however, in Fiscal 2021, due to pandemic-induced economic slowdown, especially in developed economies, there was a decline in exports, bringing the share of exports to approximately 21.5%.

High share of exports in the Indian forging market displays a mature, resilient, & globally integrated forging industry. India's strong positioning in the forging industry is also supported by cheap prices for steel, which, at the end of Fiscal 2025, was 10 to 15% cheaper in India than in Europe (price comparison for hot rolled coil steel). Cost-competitiveness, along with established infrastructure, helps Indian players to cater effectively to OEMs.

Key trends & major players of the Indian forging market

Key trends:

- **Outsourcing trends:** OEMs are increasingly outsourcing forging needs to specialised suppliers. For instance, a major European automotive OEM has outsourced over 50% of its forged components globally to ensure Just in Time (JIT) delivery, cost efficiency & supply chain flexibility, enabling OEMs to lower inventory costs while focusing on core competencies.
- **Adoption of advanced materials:** The Indian forging market is increasingly adopting high-strength steel, aluminium alloys & titanium to meet the demand for durable, lightweight & fuel-efficient components. This is driven by growth in automotive, agriculture & infrastructure sectors. Integration of advanced technologies like CNC, automation & 3D printing enables precise, efficient production of complex parts, aligning with sustainability & cost-efficiency goals. Leading players such as Bharat Forge & Ramkrishna Forgings are investing in these innovations to cater to evolving needs in construction equipment, tractors & off-highway vehicles.
- **Shift towards precision forging:** Rapid industrialisation & rising demand from automotive & off-highway sectors are pushing the adoption of precision forging. By integrating CNC, automation & 3D printing, manufacturers can deliver highly accurate, lightweight yet durable components suited for EVs & high-performance applications. Companies like Bharat Forge, Milestone Gears & CIE Automotive India are scaling investments in precision forging to meet global standards, improve energy efficiency & enhance competitiveness.
- **Sustainable forging:** Growing emphasis on eco-friendly practices is driving adoption of closed-die forging, which enables high-strength, precise components with minimal waste. The method is widely used in automotive, construction & off-highway equipment. In parallel, OEMs are increasingly adopting renewable energy & advanced heat-treatment processes to reduce energy consumption, further reinforcing sustainability in the forging ecosystem.
- **Industry 4.0 integration:** The industry is rapidly deploying intelligent manufacturing, IoT-enabled sensors & real-time analytics to boost productivity, reduce downtime & improve operational visibility.

Key growth drivers of forging components

India's forging components market is witnessing robust growth, driven by the following factors:

Growth drivers of forging components in India



Automotive industry dominance

- Automotive sector is the largest and fastest-growing end-user of forged components in India, accounting for ~60% of the demand for forged metal products
- Critical components like crankshafts, gears, axles, and connecting rods rely on forged strength
- Growth in EVs¹ and hybrid vehicles is creating demand for lightweight forged aluminum and titanium parts



Off-highway market

- High-performance forged parts are essential for heavy machinery used in construction & agriculture due to their superior strength, durability, and ability to withstand extreme conditions
- Government initiatives like Atmanirbhar Bharat are reinforcing India's focus on self-reliance in manufacturing, leading to increased demand for domestically produced forged components and a reduced reliance on imports



Adoption of advanced technologies

- Adoption of advanced manufacturing technologies, including automation, robotics, CNC², and Industry 4.0, enables the production of precision-engineered, high-quality, and complex forging components
- Leading players like Bharat Forge and Sansera are integrating automation, CAD³, and CNC machining into forging lines



Export growth & global partnerships

- India's positioning as a reliable global supplier has been enhanced by the realignment of international supply chains (China +1 strategy, "friendshoring"), leading to increased exports of high-quality forged components to Europe, North America, and other regions
- Export-friendly government policies and incentives are supporting the global ambitions of Indian forging firms

Note(s): ¹Electric Vehicle, ²Computer Numerical Control, ³Computer-Aided Design

Criticality of forged components & cost impact due to electrification

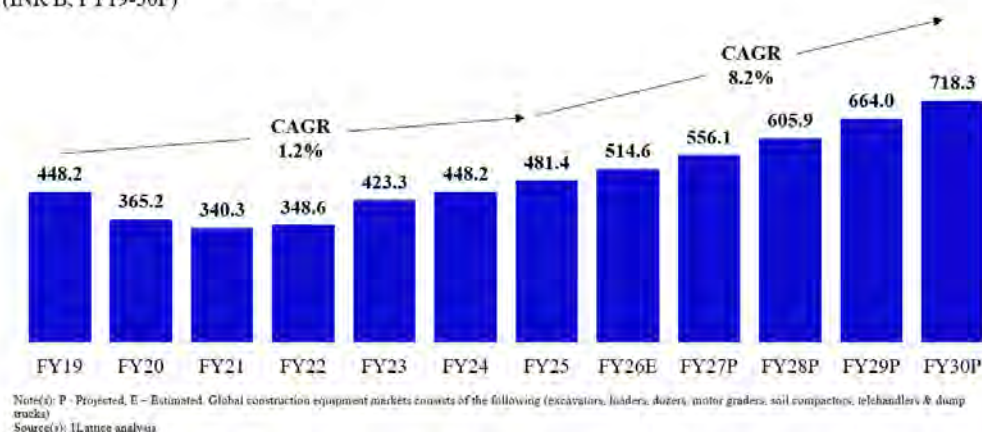
The electrification of vehicles is reshaping the forging landscape for both automotive & off-highway components. Unlike ICE vehicles, EV drivetrains require tighter tolerances, advanced materials & superior finishing to withstand higher torque loads and minimise noise in the absence of engine masking. These requirements increase costs in design, manufacturing, heat treatment & lubrication. However, EVs also provide cost offsets through reduced gear counts & simplified drivetrain architectures. The overall impact is a shift from volume-driven, standardised forgings to precision-intensive, value-added manufacturing, raising upfront component costs but delivering long-term lifecycle savings & enhanced performance benefits.

Cost impact of electrification on forged components	
Parameter	Cost impact
 Designing	- Design of shafts, axles & gears in EVs requires tighter tolerances & superior profiling, which increases costs due to advanced design tools, simulations and validation processes - Ability of shafts and axles to withstand higher and instantaneous torque loads further raises the cost of design optimisation compared to ICE components
 Manufacturing process	- EV components require advanced forging presses, precision machining & additional finishing such as honing & grinding, which increases the overall manufacturing cost - However, reduction in the number of gears in EV drivetrains lowers the total number of forgings required, thereby partially reducing the aggregate cost per vehicle
 Material	The use of micro-alloy steels & aluminium forgings in EVs raises the cost of raw material, though it is offset by lower machining & reduced heat-treatment requirements
 Size / Outer diameter	- Axles used in EVs often require a larger diameter to handle higher torque, which increases raw material consumption & forging costs - On the other hand, certain shafts & gears become more compact due to simplified EV drivetrains, reducing both material usage & processing costs
 Lubrication	- High-speed electric motors create a need for advanced low-viscosity lubricants, which increases the cost of lubrication systems - However, these lubricants enhance efficiency & reduce wear, which lowers maintenance & lifecycle costs
 Heat treatment	- EV components frequently require additional surface hardening processes such as carburising or nitriding, which raises processing costs - However, adoption of micro-alloy steels can eliminate certain heat-treatment steps, reducing both energy use & processing costs in some cases
 Noise generation	- Absence of engine noise in EVs places greater emphasis on reducing drivetrain noise, raising costs for precision finishing, surface profiling & advanced materials - The lower number of gears in EV transmissions offsets some of this cost by reducing the overall sources of noise

Indian machining components market is projected to grow from approximately ₹ 481.4 billion in Fiscal 2025 to approximately ₹ 718.3 billion in Fiscal 2030

The Indian machining market expanded from approximately ₹ 448.2 billion in Fiscal 2019 to approximately ₹ 481.4 billion in Fiscal 2025, registering a modest CAGR of approximately 1.2%. However, growth is expected to accelerate sharply, with the market projected to reach approximately ₹ 718.3 billion by Fiscal 2030 at a CAGR of approximately 8.2%. This rebound is driven by strengthening demand from automotive & industrial sectors, rising precision engineering requirements, and a clear shift toward higher-value manufacturing, underscoring machining's growing importance in India's industrial growth story.

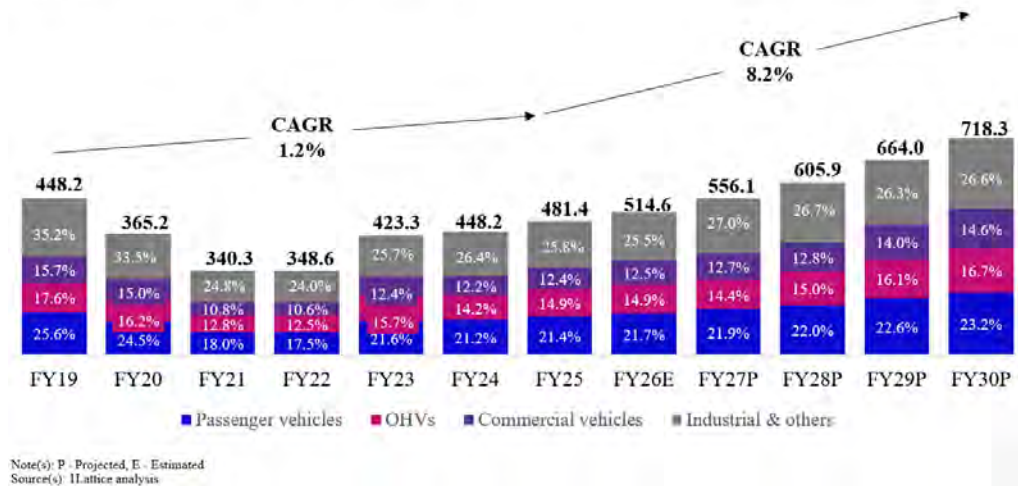
Indian machining market - By value
(INR B, FY19-30P)



Indian machining components market by vehicle type

During Fiscal 2019 to 2025, machining components were primarily consumed by the industrial and commercial vehicle segments, which accounted for approximately 25.8% and approximately 21.4% of the market in Fiscal 2025, reflecting their complex, high-stress, and high-torque requirements. Off-highway vehicles (OHVs) contributed approximately 14.9%. Looking ahead to Fiscal 2025 to 2030, demand from industrial and commercial vehicles is expected to remain dominant, driven by the need for precision-engineered parts such as axle components, transmission housings, and cylinder heads.

Indian machining market - By vehicle type
(INR B, FY19-30P)



Key trends & outsourcing landscape in the Indian machining industry

Key trends

- Growing demand for precision components across automotive, aerospace, defence, electronics & general engineering is driving industry expansion.
- Rapid adoption of CNC & hybrid smart tools is enhancing precision, efficiency & cost-effectiveness in machining operations.
- Industry 4.0 technologies (AI, IoT-enabled machines, smart manufacturing) are enabling real-time monitoring, predictive maintenance & data-driven production optimisation.
- Government support through Make in India, PLI schemes & Skill Development programs is accelerating competitiveness & technology upgradation.
- Sustainability focus is promoting energy-efficient machining, eco-friendly materials & waste minimisation practices.
- Key challenges include shortage of skilled workforce for advanced CNC operations & supply chain inefficiencies due to import reliance on critical components.

Outsourcing trends & case studies in India

- Indian machining service providers are emerging as preferred outsourcing partners for global OEMs, leveraging cost advantages, skilled talent, ISO-certified quality standards & time zone benefits.
- Outsourcing enables OEMs to lower overheads, improve flexibility, shorten time-to-market & access India's growing expertise in CNC machining & assembly.

TAFE, established in 1960, is a leading Indian OEM in agricultural equipment & allied industries, with an annual revenue of approximately ₹ 14 thousand crore and a global footprint across 80+ countries. The company began as a tractor manufacturing enterprise and has since expanded into designing and producing farm machinery including tractors, agriculture implements, agriculture engines, industrial engines. The company follows a hybrid sourcing model, combining captive (in-house) production with non-captive (outsourced) supply. TMTL (TAFE Motors and Tractors Limited) operates a dedicated gears and transmissions facility in Parwanoo, Himachal Pradesh. The plant produces a wide range of gear and transmission components, which are primarily supplied for in-house use in TMTL and TAFE tractors. Key partners, including Milestone Gears, support its ecosystem, enabling scale, flexibility & global competitiveness.

TAFE also procures a range of critical components, such as gears, shafts, axles, transmission housings, and crown wheels & pinions from several specialist suppliers to supplement its own in-house manufacturing, particularly for components that require high precision, complex machining, or specialised metallurgical processes. These suppliers, which include OEM-ancillaries and precision component manufacturers, help ensure that TAFE's tractors meet performance, quality, scalability, and cost-efficiency requirements. By combining its internal with outsourced supply, TAFE maintains flexibility in meeting design

variations, volume demands and technological upgrades.

Nature of the process and complexity involved in the machining process

Machining is a specialised and demanding process that requires a blend of investment, technical skill & precision engineering. It plays a critical role across industries such as aerospace, automotive, and electronics.

To meet these requirements, modern machining increasingly depends on advanced technologies that enhance both accuracy and efficiency. Among these, scudding has gained prominence in gear manufacturing due to its ability to replicate real-world operating conditions during finishing. Scudding technology is a German patented technology and is an upgrade over dry cutting skiving technology. It is a high-speed, continuous cutting technology that efficiently produces internal ring gears with a tool similar to a helical shaper cutter, but with a continuous cutting action, producing gears with high quality and a low surface roughness. It can machine gears without needing an undercut or groove, allowing for programming of the gear end with a radius. This method is known for its rapid cycle times and the ability to produce high-quality gears with low surface roughness, making it a productive and flexible gear-generating process. The high number of cuts per time unit leads to very short cycle times, making the process very efficient and productive.

Reflecting this shift, Milestone Gears became one of the early adopters of scudding technology for skiving internal ring gears in Calendar Year 2015, establishing its leadership in advanced gear manufacturing. As of June, Fiscal 2025, the company manages an extensive fleet of approximately 9 profilator scudding machines from Germany for internal ring gears, and have a significant concentration of these machines in India as of June 30, 2025.

Key characteristics of machining:

- **Capital & skill-intensive:** Machining demands significant investment in advanced CNC machines, precision tooling & controlled environments. Strict quality protocols further add to operational costs and process complexity.
- **Precision & tight tolerances:** Sectors such as automotive require components manufactured to extremely tight tolerances with superior surface finishes, necessitating advanced processes and highly skilled machinists.

Complexity involved in the machining process:

- **Material-related issues:** Machining diverse materials like stainless steel, titanium, aluminium, and plastics involves unique difficulties. Variations in hardness, heat resistance, and machinability require specialised tooling, coated tools, and precise parameter adjustments. Hard-to-machine alloys, in particular, accelerate tool wear and complicate quality control.
- **Programming & process complexity:** Advanced CNC machining relies on intricate programming. Errors in G-code (programming language used to control CNC machines), toolpaths, or parameters can lead to scrap, tool collisions, or inefficiencies. As designs grow more complex, translating them into accurate, executable programs demands skilled programmers and robust simulation systems.
- **Tool wear & breakage:** Cutting tools endure high stress, heat, and friction, especially with hard materials or long production runs. Wear or breakage can result in surface defects, dimensional inaccuracies, and downtime. Proactive monitoring and timely replacements are necessary, but add to costs and operational difficulty.
- **Fixturing & workpiece handling:** Securing and handling components, whether small, large, intricate or thin-walled, is critical. Improper clamping can cause micro-movements, deformation, or part loss mid-process. This often necessitates customised fixtures, which increase setup time and costs.

Key trends & growth drivers of the machining market

As India consolidates its position as a global manufacturing hub, key trends such as automation, CNC integration, and advanced quality control systems are reshaping the production landscape. Government initiatives promoting localisation and self-reliance, coupled with the rising adoption of Industry 4.0 technologies, are further accelerating growth. Together, these factors are driving higher productivity, improved quality, and lower operational costs, firmly positioning the Indian machining industry for sustained expansion in the years ahead.

Key trends and growth drivers of machining components in India

Automation & robotics

- Automated CNC¹ setups are being widely deployed with capabilities such as part loading, tool changing, inspections, enabling lights-out production, and significant labour reduction
 - Integration with robotics enhances precision and throughput while addressing labour shortages



IoT, industry 4.0 & smart factory tech

- IoT-enabled machining systems offer real-time monitoring, predictive maintenance, and optimization through digital twins and advanced analytics
- Data-driven quality improvements are enabled by machine-embedded sensors and analytics tools that minimize downtime and enhance yield



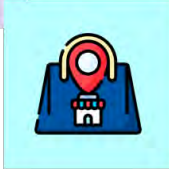
CNC & multi-axis machining

- The shift from 3-axis to 5- or 6-axis CNC machines enables complex geometries with fewer setups, reducing lead-times by 30-40% in many cases
- Hybrid CNC systems combining subtractive and additive manufacturing are gaining traction for faster prototyping and material efficiency



Localization of manufacturing

- Companies are increasingly localizing component manufacturing to reduce reliance on imports, mitigate supply chain risk, and benefit from government incentives under schemes like Make in India and the PLI²
- Increasing import costs, volatile foreign exchange rates, and geopolitical uncertainties are making localization a strategic approach for both cost efficiency and risk mitigation



Note(s): ¹Computer Numerical Control, ²Production Linked Incentive

Deep dive into the components market size

The automotive and off-highway vehicle markets rely heavily on a variety of transmission components, each playing a crucial role in performance and efficiency. In automotive vehicles, rear axles and differential systems are designed primarily for speed, efficiency, and stability on paved surfaces. They typically use ring and pinion gearsets or planetary gear systems to deliver smooth torque transfer at high speeds. Axles are often live or semi-independent, with gearing designed for relatively consistent torque loads without extreme shock or terrain variations.

In off-highway vehicles, including tractors and construction equipment, the design priorities shift toward high torque, durability, and shock absorption, as these vehicles operate in rough terrains and low-speed, high-load conditions. The rear axle often includes an inboard reduction, where torque from the differential pinion is transmitted through a bull gear to the axle shaft.

Tractor auto components market value

The tractor auto components market forms a critical backbone of the agricultural machinery industry, underpinning the high-volume tractor segment within the off-highway ecosystem. These components are designed to deliver efficient power transmission, durability, and consistent performance under demanding field conditions. With tractors serving as the primary drivers of farm mechanisation, the demand for high-quality and reliable components has expanded in tandem.

Key components include:

Types of tractor auto components		
	Gear component	Function
	Bull gears	Transmit high torque from the engine to the axle for power transfer in heavy-duty operations
	Transmission gears	Convert the motor's high speed into strong, steady torque for the wheels
	Internal ring gears	Integral to the differential system to support smooth cornering and traction control
	Rear axles	Bear load & transfer power from the transmission to the wheels to ensure vehicle stability
	Transmission shafts	Link engine & gearbox components to allow seamless torque transmission
	Induction hardened shafts	Enhanced wear resistance for high-load & long-life performance
	Rock shafts	Part of the hydraulic lift system, transferring power to lift arms or implements for controlled motion

Growth drivers for key tractor components

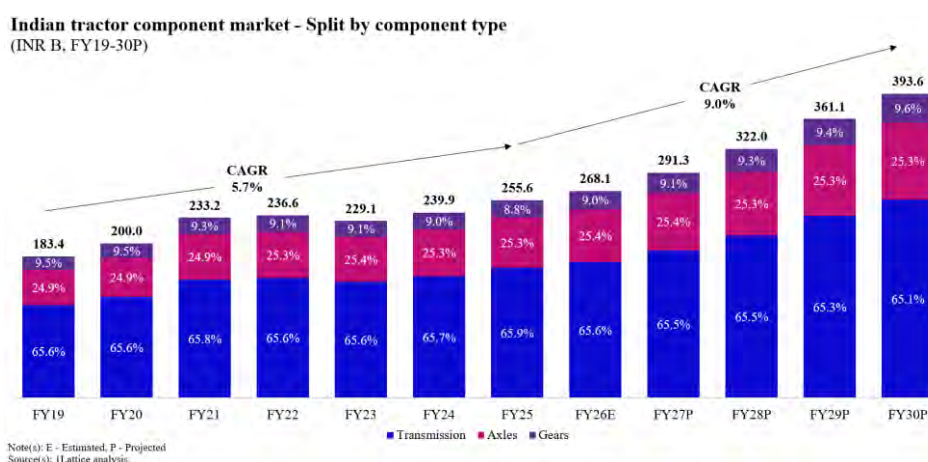
- Bull gears** are seeing higher penetration in low- and mid-horsepower (<50 HP) tractors, which commonly use simple and

robust driveline systems where bull gear final drives offer reliable torque transmission for field and haulage operations.

- **Transmission gears** are playing a critical role in enabling efficient performance with the acceleration of EV adoption. Gear components within these systems allow the conversion of motor speed into usable torque, thereby ensuring smooth and reliable vehicle operation
- **Internal ring gears** demand is growing consistently, with adoption supported by the rising use of advanced differential systems that improve traction and maneuverability in varied terrains.
- **Rear axles, transmission shafts and rock shafts** are becoming more critical as tractors are used beyond farming (e.g., transport, commercial haulage), demanding stronger load-carrying capability and smoother power transfer. The challenge of high cost and suboptimal performance of rear axles in the late 1980s was effectively mitigated through the adoption of induction hardening technology.
- **Induction hardened shafts** are increasingly adopted to reduce wear & manufacturing cost and extend component life & performance, particularly for tractors operating under continuous, high-load conditions in emerging markets.

Indian tractor component market is projected to grow approximately ₹ 255.6 billion in Fiscal 2025 to approximately ₹ 393.6 billion in Fiscal 2030

The Indian tractor component market grew from approximately ₹ 183.4 billion in Fiscal 2019 to approximately ₹ 255.6 billion in Fiscal 2025, registering a CAGR of approximately 5.7%. Looking ahead, the market is projected to reach approximately ₹ 393.6 billion by Fiscal 2030, expanding at a CAGR of approximately 9.0% between Fiscal 2025 & Fiscal 2030. Transmission components dominate the segment, contributing approximately 65.6% in Fiscal 2019, approximately 65.9% in Fiscal 2025, and an expected approximately 65.1% by Fiscal 2030. Axles follow with approximately 24.9% in Fiscal 2019 and approximately 25.3% in Fiscal 2025, while gears remain stable at approximately 9% through Fiscal 2019 to 2025. Growth is primarily driven by rising tractor production volumes, increasing mechanisation across rural India, and higher demand for precision transmission systems. In addition, replacement demand for older components and durable gears continues to support steady market expansion.



In terms of volume for key components, the Indian tractor industry recorded sales of approximately 1.04 million units in Fiscal 2025, reflecting continued demand across the agricultural and allied sectors. Of these, approximately 64% of tractors (approximately 0.67 million) were equipped with bull-gear-based transmissions. With each tractor requiring 2 bull gears, the total demand for bull gears in Fiscal 2025 is estimated at 1.34 million units. Similarly, approximately 30% of tractors (approximately 0.31 million) uses internal ring-gear. With 2 internal ring gears per tractor, the resulting requirement for ring gears is roughly 0.62 million units. The remaining tractors, approximately 6%, employed alternative transmission designs.

Beyond transmission components, certain mechanical parts are standard across all tractors. Every tractor includes 1 rockshaft, giving a total demand of 1.04 million rockshafts in Fiscal 2025. Additionally, each tractor is fitted with 2 rear axles, creating a requirement of 2.08 million rear axle assemblies. Collectively, these figures highlight the strong correlation between tractor sales and component demand.

Key tractor component sourcing trends in India

Several key factors drive the Indian tractor auto components market:

- **Demand push:** Rising farm mechanisation, replacement demand & growing use of agricultural equipment are driving component sales.

- **Policy backing:** Government initiatives such as PLI & Make in India are boosting local, high-tech component production.
- **Localisation:** OEMs are partnering with suppliers to reduce import dependence & achieve cost efficiency through local sourcing
- **Innovation edge:** Suppliers are advancing technology, for e.g., induction hardening for shafts & modular axle/gear designs, to align with global standards. The challenge of high cost and suboptimal performance of rear axles in the late 1980s was effectively mitigated through the adoption of induction hardening technology.
- Captive vs non-captive trends in the Indian tractor component market:
 - o The Indian tractor component market has historically been dominated by captive manufacturing, with OEMs preferring in-house production to maintain control over quality & cost. However, in recent years, a gradual shift toward non-captive sourcing has emerged, driven by capacity constraints, cost efficiency, & the need to leverage specialised supplier expertise. The current captive vs non-captive split in the tractor component market is as follows:
 - **Transmissions:** approximately 98 to 99% captive; approximately 1 to 2% non-captive
 - **Axles:** approximately 70 to 75% captive; 25 to 30% non-captive
 - **Gears:** approximately 5 to 7% captive; 93 to 95% non-captive
 - o **Axle sourcing:** Axle sourcing is partly captive & partly outsourced, with approximately 25 to 30% of the market being non-captive. Mahindra & Mahindra & TAFE maintain in-house axle production but outsource for higher horsepower 4WD models (>49 HP).
 - o **Transmission sourcing:** Transmission manufacturing remains almost entirely captive, with approximately 98 to 99% of production in-house by OEMs. This reflects the strategic importance of transmissions as a core competency, where manufacturers prefer tighter control over design, quality & cost efficiency, leaving little room for outsourcing.
 - o **Gear sourcing:** Gear sourcing is predominantly non-captive, with approximately 93 to 95% outsourced in Calendar Year 2023. This high reliance on suppliers stems from the specialised precision required in gear manufacturing, where dedicated gear makers can deliver better economies of scale & technological expertise than OEM captive units.



The Indian tractor industry has a balanced sourcing model, with major OEMs such as Mahindra & Mahindra, TAFE and Escorts relying on both captive and non-captive channels. However, non-captive sourcing is steadily increasing, particularly for rear axles, induction-hardened shafts and certain standardised gear components, driven by the rise of specialised Tier-1 suppliers and cost-competitive ancillary units in manufacturing clusters. As tractor production scales for both domestic and export markets, OEMs are diversifying sourcing to reduce dependence on captive setups and leverage supplier specialisation.

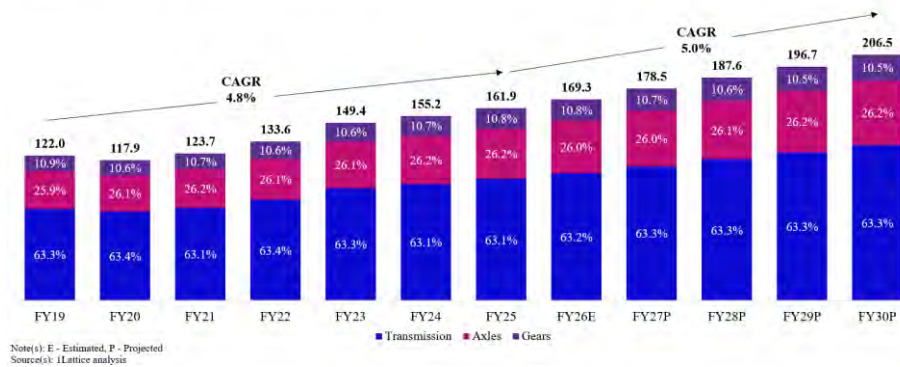
Indian construction vehicle component market is projected to grow from approximately ₹ 161.9 billion in Fiscal 2025 to approximately ₹ 206.5 billion by Fiscal 2030

The Indian construction vehicle component market grew from approximately ₹ 122.0 billion in Fiscal 2019 to approximately ₹ 161.9 billion in Fiscal 2025, at a CAGR of approximately 4.8%. It is projected to reach approximately ₹ 206.5 billion by Fiscal 2030, growing at a CAGR of approximately 5.0% over Fiscal 2024 to 2030. Of the overall market in Fiscal 2025, transmission components contributed the largest share (63.1%), followed by axles (26.2%) and gears (10.8%). By Fiscal 2030, transmission components are expected to maintain the largest share at approximately 63.3%, with axles at 26.2% & gears at 10.5%. Market growth is being driven by rising infrastructure activity, greater construction equipment deployment & increasing demand for durable, locally manufactured gear components. OEMs are also shifting towards cost-efficient domestic sourcing to strengthen supply chain resilience and reduce import reliance.

Growth drivers for key construction equipment components

- **Transmission gears and shafts** are witnessing deeper penetration as OEMs adopt power-shift and CVT (continuously variable transmission) systems to enhance fuel efficiency and productivity in loaders, backhoes and excavators
- **Bull gears and rear axles** play a critical role in construction and mining machines, enabling high torque transmission and heavy load-bearing capacity essential for durability in demanding operating cycles
- **Induction hardened shafts** are seeing wider adoption as equipment faces prolonged duty cycles, requiring superior resistance to abrasion and fatigue
- **Internal ring gears** remain vital in heavy equipment drive systems, with penetration expanding in line with infrastructure development & mining sector growth

Indian construction equipment component market - Split by component type
(INR B, FY19-30P)



Key construction equipment component sourcing trends in India

India's booming infrastructure sector is accelerating demand for construction vehicles, prompting OEMs to adopt more agile & cost-efficient sourcing strategies. Backed by policy support such as the PLI scheme & Bharat stage V norms, OEMs are increasingly outsourcing critical components, including transmission gears, axles & shafts to specialised tier-1 suppliers to drive scale, innovation & localisation.

- **Captive & non-captive trends in the Indian construction component market:**

- **Transmission sourcing:** Transmissions were historically produced almost entirely in-house, but outsourcing has steadily increased as OEMs seek cost savings and avoid heavy capital investments. By Fiscal 2023, approximately 60 to 65% remained captive, while approximately 35 to 40% were outsourced. Smaller OEMs, in particular, rely on suppliers for advanced powertrain technologies & compliance with Stage V emission norms.
- **Axle sourcing:** Axles, once largely captive, have gradually shifted towards outsourcing, resulting in a near-balanced split in Fiscal 2023, with approximately 45 to 50% captive & approximately 50 to 55% outsourced. This reflects OEMs' growing dependence on suppliers for economies of scale, localisation benefits & designs tailored to India's infrastructure-led demand
- **Gear sourcing:** Gear sourcing has undergone the sharpest shift, moving from a captive–non-captive mix to being almost fully outsourced. In Fiscal 2023, only approximately 5 to 7% remained captive, while approximately 93 to 95% were outsourced. Unlike tractors, where outsourcing is scale-driven, construction equipment OEMs outsource gears primarily to leverage suppliers' R&D & precision expertise, ensuring durability & performance in heavy-duty applications.

Indian construction vehicle components: growth drivers & sourcing shifts

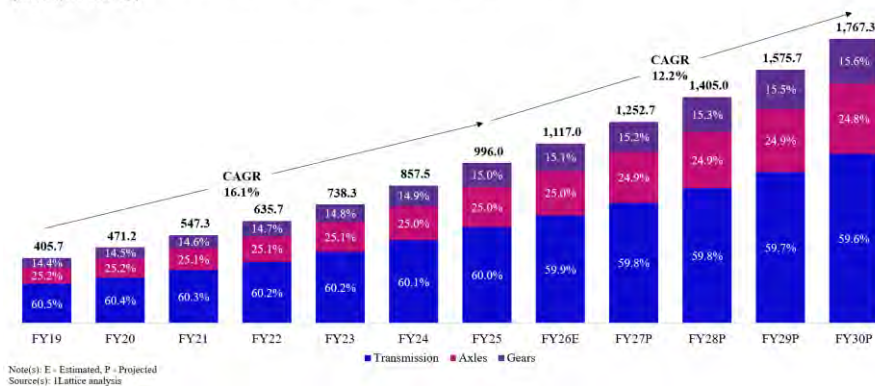
 Growth in infrastructure-driven demand	- Expansion of infrastructure & construction projects fueling demand for precision-cut, high-strength transmission components - Increasing adoption of modular axle systems to enhance equipment performance, maneuverability, & load-handling capacity in mining & heavy-duty construction environments - Equipment like loaders, backhoes, & other earthmoving equipment in road building, metro rail, & industrial projects sustaining demand for hardened & forged shafts & other critical components
 Compliance-driven sourcing	- PLI scheme for AAT¹ parts & localisation mandates boosting domestic production of regulation-compliant transmission components - Stricter Stage V, BS-V, & Euro-aligned emission norms driving demand for low-NVH, high-precision components from Tier-1 suppliers - ADAS-linked safety requirements & advanced forging technologies enabling adoption of upgraded, sensor-compatible axles & shafts
 Indigenization for cost advantage	- Global OEMs are increasing local sourcing of high-precision, export-ready components to cut costs & align with "Make in India" objectives - Leading suppliers localising the majority of component production, reducing OEM dependence on imports & easing cost pressures - Tier-1 suppliers scaling advanced manufacturing for induction-hardened & precision-forged components, improving quality while enhancing export competitiveness
 Tech integration & product innovation	- Automated, digitally controlled manufacturing & advanced surface treatments enhancing durability & performance of high-load construction components - Shift toward modular, lightweight axle assemblies optimising load-bearing capacity & durability for rugged, off-road applications - Precision forging & digital manufacturing enabling emission-compliant, export-ready shafts & other critical transmission components

Note(s): ¹Advanced automotive technology

Indian passenger vehicle component market is projected to grow from approximately ₹ 996.0 billion in Fiscal 2025 to approximately ₹ 1,767.3 billion in Fiscal 2030

The Indian passenger vehicle component market grew from approximately ₹ 405.7 billion in Fiscal 2019 to approximately ₹ 996 billion in Fiscal 2025, registering a CAGR of approximately 16.1% during the period. It is further projected to reach approximately ₹ 1,767.3 billion by Fiscal 2030, expanding at a CAGR of approximately 12.2% over Fiscal 2025 to 2030. In Fiscal 2025, transmission components held the largest share at approximately 60%, followed by axles (approximately 25%) and gears (approximately 15%). By Fiscal 2030, the trend is expected to remain consistent, with transmissions contributing approximately 59.6%, axles approximately 24.8% and gears approximately 15.6%. Growth is being driven by rising passenger vehicle production, greater demand for fuel-efficient & performance-driven drivetrains, and the increasing penetration of automatic and electric transmission systems. Additionally, OEMs are placing stronger emphasis on precision gear manufacturing and localised sourcing to improve quality & cost competitiveness.

Indian passenger vehicle component market - Split by component type
(INR B, FY19-30P)



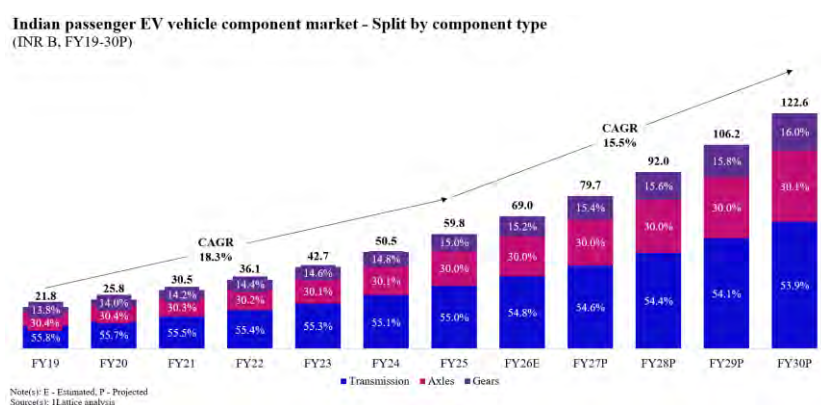
Growth drivers for key passenger vehicle components

- Transmission gears and shafts** remain core to all passenger vehicles, but penetration is evolving toward lighter and more compact designs to meet stricter fuel efficiency and emission norms.

- **Rear axles** are widely utilised in SUVs, MUVs, and pick-up trucks, where greater load bearing and traction capability is required compared to compact cars.
- **Internal ring gears** are commonly used within planetary gear systems of automatic and hybrid transmissions, enabling compact design and efficient torque transfer.
- **Induction hardened shafts** are witnessing wider adoption as OEMs push for longer service life, reduced warranty claims, and smoother performance in premium as well as mass-market vehicles.

Indian passenger EV vehicle component market is projected to grow from approximately ₹ 59.8 billion in Fiscal 2025 to approximately ₹ 122.6 billion by Fiscal 2030

The Indian passenger EV vehicle component market grew from approximately ₹ 21.8 billion in Fiscal 2019 to approximately ₹ 59.8 billion in Fiscal 2025, recording a strong CAGR of approximately 18.3% during the period. Growth was driven by rising EV adoption & growing importance of efficient drivetrains. It is projected to reach approximately ₹ 122.6 billion by Fiscal 2030, expanding at a CAGR of approximately 15.5% over Fiscal 2025 to 2030 (This market sizing focuses specifically on transmission, gears, and axles of EVs and does not include other critical components such as batteries, wiring harnesses, inverters, electric motors, etc.). Of the overall market, transmission components contributed the largest share of approximately 55% in Fiscal 2025, followed by axles (approximately 30%) & gears (approximately 15%). This trend is expected to continue in Fiscal 2030 with transmissions at approximately 53.9%, axles at approximately 30.1% & gears at approximately 16%, reflecting the sustained focus on drivetrain efficiency as a key enabler for EV performance & consumer preference for green mobility.



Growth drivers for key passenger EV vehicle components

- **Reduction gears** are replacing traditional multi-speed transmission gears, with penetration growing rapidly as EV sales rise; these are optimised to handle the high RPM and torque of electric motors.
- **Transmission shafts and induction hardened shafts** are being redesigned with higher strength-to-weight ratios, enabling them to withstand instant torque delivery and prolonged stress unique to EV drivetrains.
- **Internal ring gears** are increasingly incorporated into EV drive units and e-axles, providing compact power transfer solutions suited for electric mobility.
- **E-axles** are shifting towards independent and modular EV-specific designs, improving packaging flexibility and efficiency, particularly in premium and high-performance EVs.

As EV adoption accelerates, EV drivetrain components must increasingly comply with stringent standards. Over the past three years, Milestone Gears has acquired drivetrain manufacturing expertise, positioning the company to fulfil Indian OEMs' accelerating shift to domestic procurement of these critical assemblies. The company is also well positioned to capture the wave of global supply-chain diversification away from China that is redirecting a substantial share of EV component demand to India.

Sourcing trends for EV components:

Non-captive sourcing is rapidly gaining traction as Tier-1 suppliers invest in EV-specific gear and shaft manufacturing capabilities. Induction-hardened shafts and lightweight E-axles are increasingly sourced from specialised vendors to meet stringent performance and efficiency requirements. Collaboration between OEMs and non-captive suppliers is growing as EV makers seek to reduce costs, accelerate localisation, and integrate innovative materials and designs to improve range and performance.

For most Indian auto component manufacturers, the electric vehicle (EV) parts market remains in its early stages. In Fiscal 2024, only about 30 to 40% of the EV supply chain was localised (as per ICRA), with critical components such as battery cells still entirely imported. This stage is characterised by a steep capability-building curve and the need for substantial investment in new technology and R&D to scale up domestic manufacturing.

Risks in EV component space

- EV adoption linked to **policy and charging infrastructure** – Industry growth is tied to charging ecosystem readiness and government support; any moderation in these factors may temporarily affect demand.
- **Evolving technology landscape**, continuous innovation in drivetrains, batteries, and e-axes requires ongoing R&D; staying ahead ensures competitiveness.
- **China manufacturing dependence**, many EV component suppliers rely on Chinese manufacturing for key materials or subcomponents; geopolitical tensions, trade restrictions, or supply chain disruptions may impact production and cost structures.
- **Customer concentration**, dependence on select OEMs is common in the sector; diversifying the customer base helps mitigate overreliance and prevent demand shocks.
- **Product reliability and safety**, components form part of high-performance EV systems, and stringent quality assurance is essential to mitigate recall or liability risks.

Key passenger vehicle component sourcing trends in India

Over the past two decades, the sourcing strategy of Indian automotive OEMs has undergone a clear transformation. In the past, a large share of component manufacturing, particularly for powertrain and transmission systems, was carried out within the company. With increasing vehicle complexity and rising global supply chain competitiveness, OEMs have gradually shifted away from in-house production for several components such as transmission gears, axles and shafts. This change reflects a wider industry move towards capital-light operations and a stronger dependence on specialised vendors.

Contract manufacturing enables companies to accelerate production schedules and launch vehicles faster by tapping into the manufacturing infrastructure of third-party producers. This approach is particularly advantageous for startups and conventional automakers venturing into the BEV segment, as it lets them concentrate on innovation while outsourcing scalable production to experienced partners.

This shift is primarily driven by three factors:

- Outsourcing of cost optimisation & scalability improves cost-efficiency & enables faster ramp-up, allowing OEMs to focus on core competencies.
- Tier-1 suppliers with access to technology offer advanced capabilities such as induction hardening, skiving & digital machining.
- Increasing regulatory requirements, such as Stage V emission norms and ADAS-ready driveline systems, have encouraged OEMs to engage suppliers with compliance-ready infrastructure. As a result, precision components are now predominantly sourced from tier-1 vendors, who are scaling up to meet both domestic and global demand.

This transformation is strongly shaped by government-led policies and initiatives:

- **Production Linked Incentive (PLI) scheme:**
 - The Union Cabinet approved the PLI Scheme for automobile & auto components in Fiscal 2022, with a budgetary outlay of approximately ₹ 26 thousand crore covering Fiscal 2023 to Fiscal 2027 (disbursement from Fiscal 2025 onward).
 - The scheme focuses on boosting domestic manufacturing of advanced automotive technology (AAT) products, including electric & hydrogen fuel cell vehicle components.
 - To qualify for PLI incentives, applicants must achieve at least 50% domestic value addition (DVA) on approved products, a threshold verified through government-certified SOPs. Several OEMs & component manufacturers have received DVA certification for multiple product variants.

- The scheme covers both domestic & export sales and offers incentives of approximately 13 to 18% for EV/hydrogen fuel cell components and approximately 8 to 13% for other AAT components.

- **Make in India & localisation push:**

- Since its launch, the Make in India initiative has driven greater localisation across the auto sector, with deep policy support aiming to create a globally competitive supply chain, reduce reliance on imports, and drive technology upgrades.
- India's automotive sector now employs approximately 30 million people, making it a major employer and a centrepiece of the manufacturing industry.

With such policies, the government of India is accelerating EV adoption through demand incentives, FAME-II schemes, PLI-based manufacturing subsidies, concessional GST, state-level tax & registration benefits, and rapid expansion of charging infrastructure, creating a highly favourable environment for sustained market growth.

Reflecting India's growing prominence as a global EV manufacturing hub, Milestone Gears entered the fast-growing EV segment to cater to rising domestic procurement needs & capitalise on the global supply-chain shift away from China & Taiwan, which is channelling a significant share of EV component demand to India.

Outsourcing trend in the passenger vehicle market:

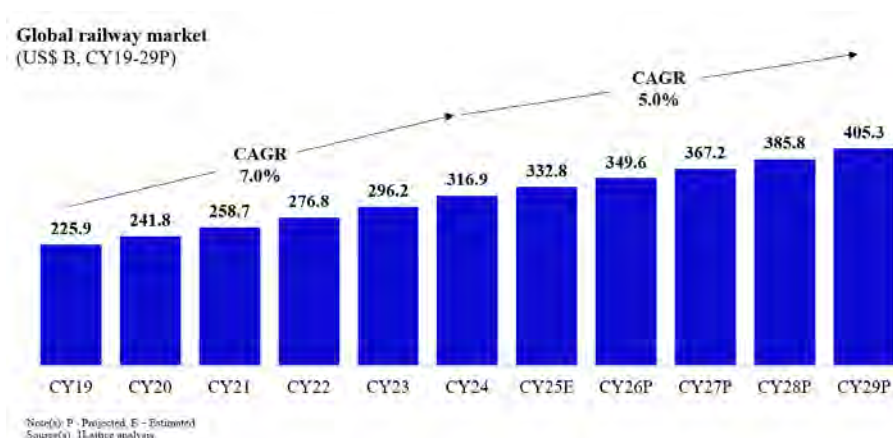
High entry barriers in the passenger vehicle market stem from OEMs like Mahindra, John Deere & Kubota maintaining stringent policies on onboarding new vendors, while also pursuing China+1 sourcing strategies. These dynamics benefit domestic suppliers such as Milestone Gears, Happy Forgings & Carraro, who already supply critical components to Mahindra, underscoring how established vendor-OEM partnerships remain central to the ecosystem. Bosch, one of the top global suppliers of technology for EVs, further exemplifies how established vendor, OEM partnerships and advanced technology players remain central to the ecosystem.

Other growing markets (Railway & windmill)

Railways - locomotive & metro

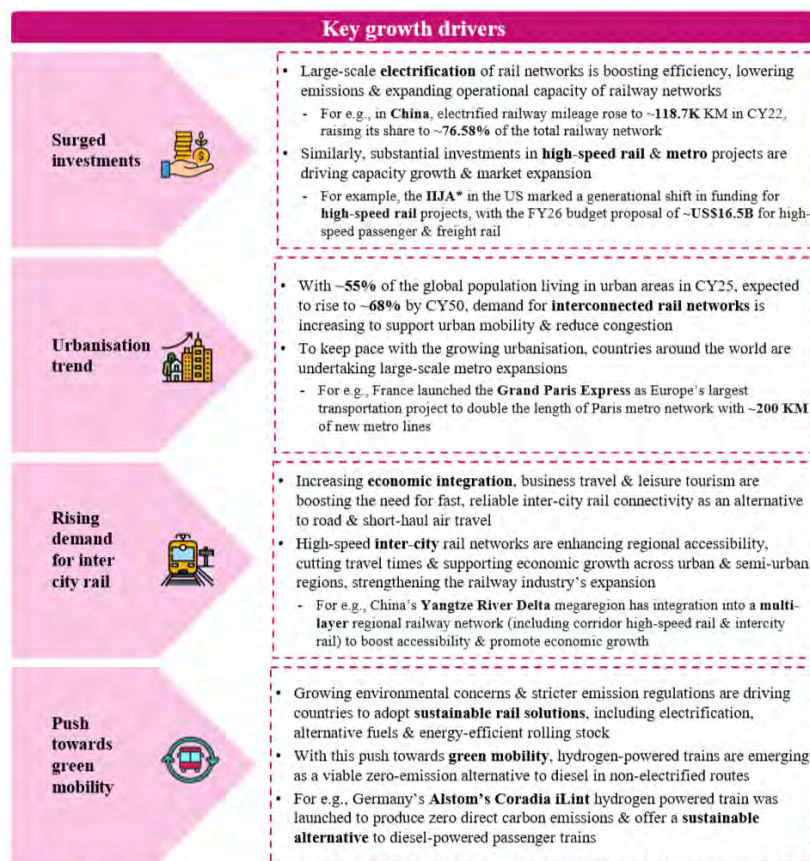
Global railway market grew from approximately USD 225.9 billion in Calendar Year 2019 to approximately USD 316.9 billion in Calendar Year 2024

The global railway market grew from approximately USD 225.9 billion in Calendar Year 2019 to approximately USD 316.9 billion in Calendar Year 2024, recording a CAGR of approximately 7%. Growth during this period was supported by factors such as rising urbanisation, expansion of high-speed rail networks & increased government investments in sustainable transport. Looking ahead, the market is projected to reach approximately USD 405.3 billion by Calendar Year 2029, at a CAGR of approximately 5% over Calendar Year 2024 to 2029. This sustained momentum underscores the railway sector's critical role in passenger & freight mobility, backed by continuous investment in capacity, connectivity, and technological upgrades worldwide.



Global railway market growth is driven by electrification trends, high-speed rail & metro projects, growing urbanisation & green mobility push

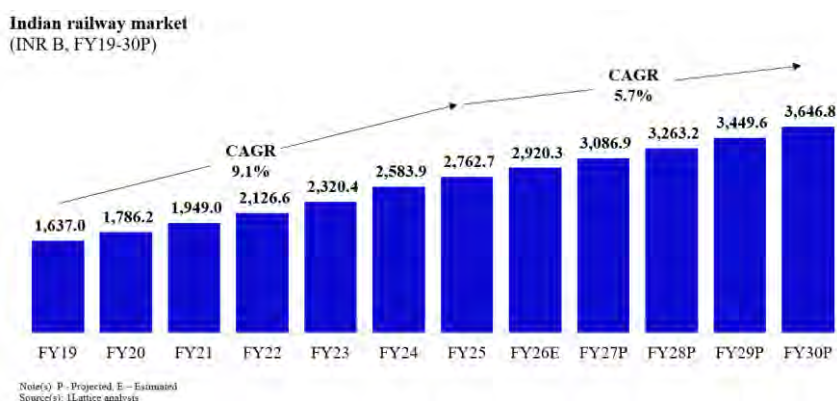
The global railway market is driven by significant investments in infrastructure & electrification, rapid urbanisation, growing demand for inter-city rail services & a strong emphasis on green & sustainable mobility solutions.



Note(s): *Infrastructure Investment and Jobs Act

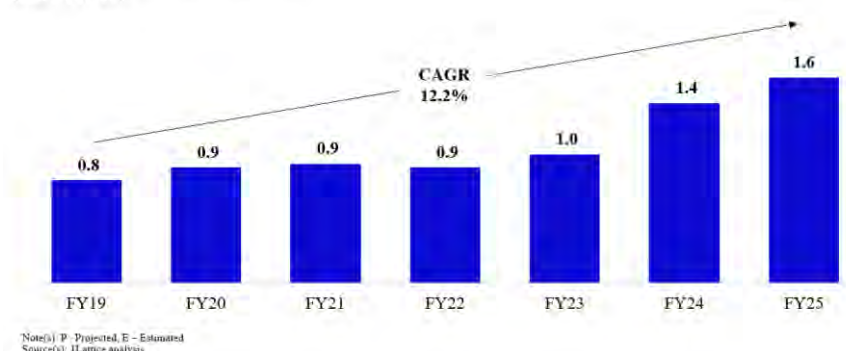
Indian railway market is expected to rise from approximately ₹ 2,762.7 billion in Fiscal 2025 to approximately ₹ 3,646.8 billion in Fiscal 2030

The Indian railway market expanded from approximately ₹ 1,637.0 billion in Fiscal 2019 to approximately ₹ 2,762.7 billion in Fiscal 2025, fuelled by a sharp rise in budgetary allocations, completion of priority electrification projects & steady growth in passenger & freight volumes. Policy push towards “green railways” urban transit needs addressed through metro rail rollouts and modernisation of signalling & rolling stock further reinforced momentum. Looking ahead, the market is projected to reach approximately ₹ 3,646.8 billion by Fiscal 2030, registering a CAGR of approximately 5.7% during Fiscal 2025 to 2030, supported by high-speed rail corridors, dedicated freight corridors, and sustained capex in digitalisation & safety upgrades.



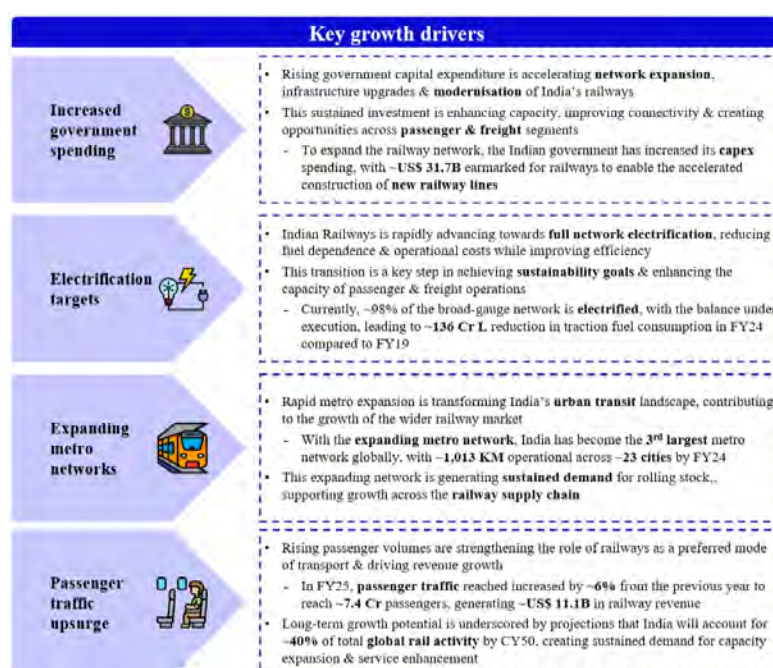
Based on volume, the market grew from approximately 0.8 thousand units in Fiscal 2019 to approximately 1.6 thousand units in Fiscal 2025, recording a strong CAGR of approximately 12.2%. Growth during this period was supported by large-scale capacity expansion in passenger & freight segments, accelerated metro rail rollouts across urban centres, and government-led investments in electrification & modernisation of rolling stock. Rising demand for energy-efficient locomotives & increasing private participation in freight corridors further contributed to the market's expansion.

Indian railway market – By volume
(#K, FY19-25)



Government capex push, electrification targets & metro rail expansion support strong momentum in the Indian railway market

The Indian railway market is propelled by a combination of structural & demand-led factors, including strong government capital expenditure, accelerated electrification, rapid metro network expansion & sustained growth in passenger traffic.



Key government initiatives

Alongside these drivers, targeted initiatives by the Indian government are further bolstering the growth & modernisation of the railway market.

- Make in India initiative:** Under the 'Make in India, make for the world' vision, Indian Railways is rapidly emerging as a global exporter of bogies, coaches, locomotives & propulsion systems. This push is strengthening domestic manufacturing capabilities while positioning India as a competitive supplier in the global rail market. Alstom, a key manufacturer of railway rolling stock in India, has exported approximately 3.8 thousand bogies to countries such as Germany, Egypt, Sweden, Australia & Brazil, along with approximately 4 thousand flatpacks to Vienna, Austria. Similarly, Alstom's Maneja unit has contributed by exporting approximately 5 thousand propulsion systems to international projects, reinforcing India's growing footprint in high-quality rail component exports.
- Vande Bharat roll-out:** The Vande Bharat programme is transforming passenger travel in India, with approximately 136 trains operational in Calendar Year 2024. Building further on this, Indian Railways has introduced the Vande Bharat sleeper train set, designed to redefine long-distance travel. The first 16-car sleeper prototype has completed successful trials, paving the way to produce approximately 9 more sets in Calendar Year 2025. By enhancing speed, comfort & efficiency for long-haul passengers, the initiative is expected to boost demand for advanced rolling stock, supporting the overall growth of the Indian railway market.

- **Dedicated freight corridors:** Dedicated Freight Corridors (DFCs) are reshaping India's freight rail network by providing exclusive tracks for cargo movement, eliminating delays caused by mixed passenger operations. The Eastern & Western DFCs have significantly reduced transit times, lowered logistics costs & improved reliability, strengthening the competitiveness of Indian industries. With approximately 96.4% of the planned approximately 2,843 Km network already operational, these corridors are boosting freight capacity & efficiency, creating a strong growth catalyst for India's railway freight market.

Indian railway component market size grew from approximately ₹ 800.7 billion in Fiscal 2019 to approximately ₹ 1,055.1 billion in Fiscal 2025

The Indian railway component market grew from approximately ₹ 800.7 billion in Fiscal 2019 to approximately ₹ 1,055.1 billion in Fiscal 2025, driven by rapid electrification of railway lines, expansion of metro rail projects in major cities & rising procurement of passenger coaches & freight wagons. Government focus on indigenisation under 'Make in India' also encouraged higher domestic production of key components, reducing import reliance. It is further projected to reach approximately ₹ 1,276.1 billion in Fiscal 2030, with a CAGR of approximately 3.9% during the period. Growth will be supported by ongoing fleet modernisation, localisation of manufacturing & greater adoption of advanced components to enhance safety, efficiency & sustainability.



Based on component type, forging & machining accounted for approximately 35 to 40% of the Indian railway component market, reflecting the high demand for heavy-duty structural parts such as axles, wheels, couplers & bogies that form the backbone of rolling stock. Electrical components contributed approximately 20 to 25%, driven by accelerated electrification of railway lines, signalling upgrades & the integration of advanced traction systems. Composites & polymers formed approximately 10 to 15%, supported by the adoption of lightweight materials in coach interiors & non-structural applications to improve energy efficiency. The remaining approximately 20 to 25% share was captured by other mechanical parts, including braking systems & ancillary fittings, underscoring the critical role of safety and performance-focused components in railway operations.

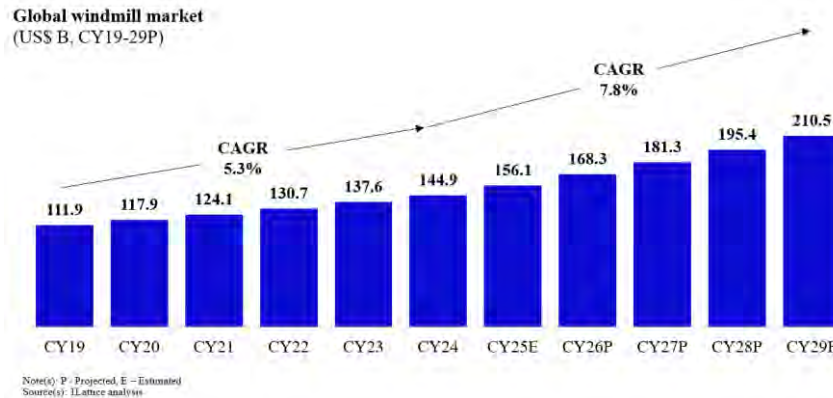
Demand for transmission components in the locomotive sector is being driven by sustained network expansion and the accelerated replacement of diesel fleets with electric and hybrid traction.

As the sector evolves, Indian OEMs are increasingly forming strategic partnerships & collaborations with leading global players to strengthen technological capabilities & expand supply chains. Progress Rail Services Corporation, a Caterpillar subsidiary and Wabtec Corporation are the leading and largest locomotive components companies in the USA.

Windmill market

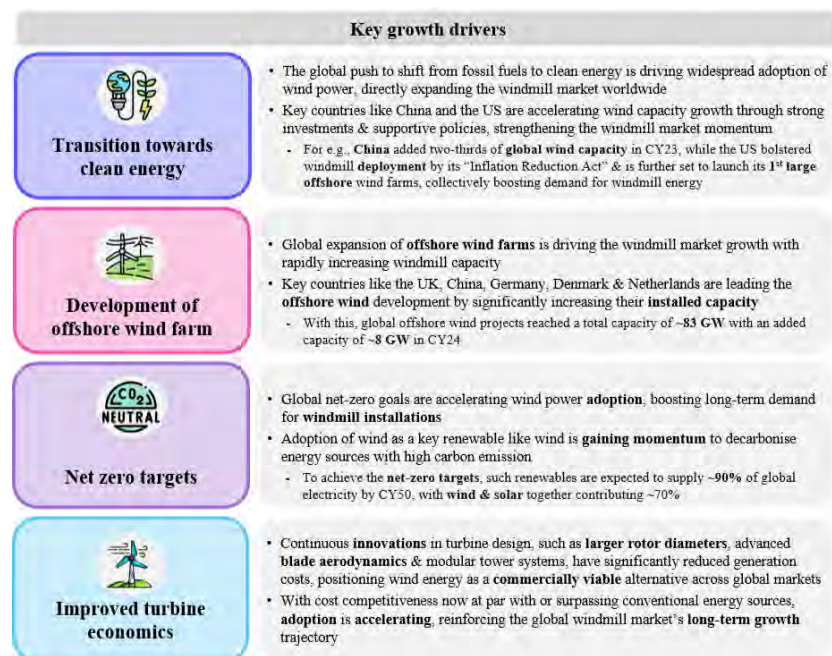
Global windmill market grew from approximately USD 111.9 billion in Calendar Year 2019 to approximately USD 144.9 billion in Calendar Year 2024

The global windmill market rose from approximately USD 111.9 billion in Calendar Year 2019 to approximately USD 144.9 billion in Calendar Year 2024, registering a CAGR of approximately 5.3% during the period. Growth was supported by rising investments in renewable energy to meet decarbonisation targets, declining levelised cost of wind power compared to fossil fuels, and capacity additions in both onshore & offshore segments. Further, the market is projected to expand to approximately USD 210.5 billion in Calendar Year 2029, at a CAGR of approximately 7.8% over Calendar Year 2024 to 2029, underpinned by accelerating clean energy adoption, technological advancements in turbine design & favourable policy frameworks across major economies.



Global windmill market is driven by clean energy transition & offshore wind farm development along with global initiatives like net-zero targets

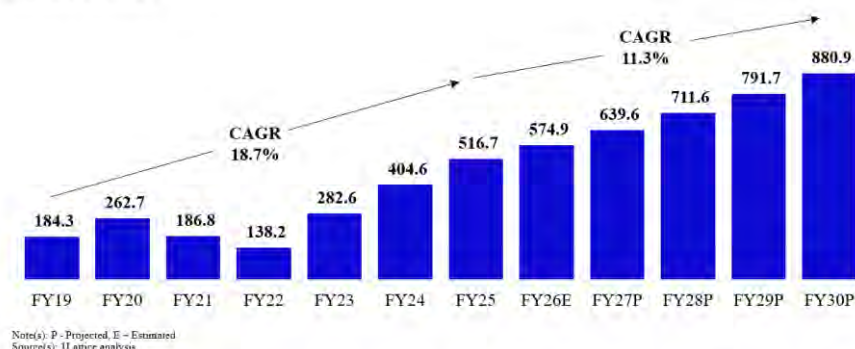
The global windmill market is witnessing strong growth, supported by key industry drivers. These include the global transition towards clean energy, rapid development of offshore wind farms, accelerating adoption to meet net-zero targets, and improved turbine economics. Together, these factors are reshaping the energy landscape and positioning wind power as a cornerstone of the global renewable energy mix.



India windmill market rose from approximately ₹ 184.3 billion in Fiscal 2019 to approximately ₹ 516.7 billion in Fiscal 2025

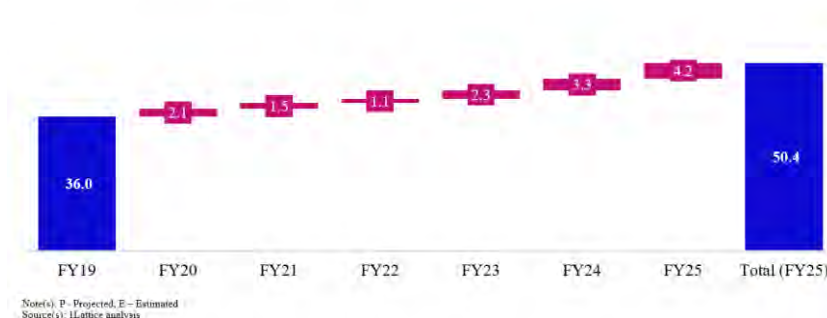
The Indian windmill market grew from approximately ₹ 184.3 billion in Fiscal 2019 to approximately ₹ 516.7 billion in Fiscal 2025, driven by accelerated renewable energy capacity additions under the National Electricity Plan, strong policy support through mechanisms such as renewable energy certificates (RECs) & competitive tariff-based bidding, and rising private sector participation in large-scale wind projects. Further, it is expected to rise to approximately ₹ 880.9 billion in Fiscal 2030, with a projected CAGR of approximately 11.3% over Fiscal 2025 to 2030. Growth will be supported by India's ambitious renewable energy targets, continued fiscal & policy incentives, and sustained investments in wind power infrastructure, particularly hybrid projects integrating wind & solar.

Indian windmill market
(INR B, FY19-30P)



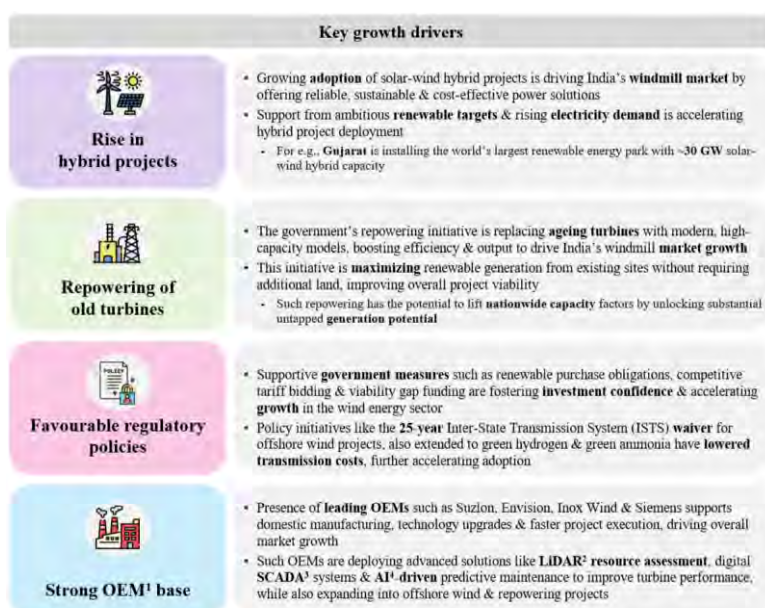
In terms of capacity addition, the windmill capacity expanded from approximately 36.0 GW in Fiscal 2019 to approximately 50.4 GW in Fiscal 2025, driven by steady commissioning of new projects under competitive bidding, repowering of ageing wind farms to improve efficiency & strong policy thrust from schemes such as the National Wind-Solar Hybrid Policy. Capacity growth was further supported by rising corporate demand for green power under open-access frameworks, favourable land & transmission infrastructure development in high-potential states like Tamil Nadu, Gujarat & Maharashtra, and increased participation from global renewable energy developers in India's wind auctions.

Indian windmill market - Capacity expansion
(GW, FY19-25)



India windmill market is regaining momentum with hybrid projects, turbine repowering, supportive government policies & low generation costs

Windmill market in India is regaining its momentum due to a confluence of factors, including the rise of hybrid projects, repowering of old turbines, a supportive regulatory framework, along a strong OEM base.



Note(s): ¹Original equipment manufacturer, ²Light detection & ranging, ³Supervisory control & data acquisition, ⁴Artificial intelligence

Indian windmill components market grew from approximately ₹ 296 billion in Fiscal 2019 to approximately ₹ 397 billion in Fiscal 2025

The Indian windmill component market rose from approximately ₹ 152.0 billion in Fiscal 2019 to approximately ₹ 397.5 billion in Fiscal 2025, with a CAGR of approximately 17.0%. Market growth was driven by rising deployment of wind projects under central & state renewable energy auctions, growing localisation of critical components such as blades, gearboxes & generators, and policy incentives under schemes like “Make in India” that encouraged domestic production. Supportive financing mechanisms, coupled with increasing participation of global OEMs setting up local facilities, further reinforced market expansion. It is projected to rise to approximately ₹ 512.1 billion in Fiscal 2030, registering a CAGR of approximately 5.2% over Fiscal 2025 to 2030, supported by rising domestic manufacturing capacity, localisation efforts & steady demand from ongoing & upcoming wind power projects.



Based on component type, fabrication & welding contributed approximately 30 to 35% of the market, reflecting the dominance of towers & large structural assemblies that require heavy steel inputs & specialised fabrication facilities. Forging & machining accounted for approximately 25 to 35%, driven by the demand for high-precision parts such as shafts, gears & bearings that form the drivetrain core. Composites contributed approximately 15 to 20%, supported by the rising use of lightweight materials in blades to improve aerodynamic performance & efficiency. Electrical & electronic components formed the remaining approximately 5 to 10%, representing a smaller share as their value contribution is lower compared to large-scale mechanical parts, despite being critical for turbine control & operations.

Key trends:

Emphasis on domestic manufacturing: The high cost and complexity of transporting massive structural parts, such as towers, necessitate a localised manufacturing ecosystem. This strengthens the domestic supply chain for heavy engineering.

Shift to higher-capacity turbines: A move towards larger, more powerful turbines is driving demand for advanced materials like composites. The goal is to maximise energy output, making projects more economically viable and encouraging component manufacturers to develop higher-value products.

Demand for high-reliability drivetrains: As turbines become more powerful, the mechanical stress on internal parts increases. This fuels the need for more complex and durable precision components to ensure long-term reliability and prevent failures.

Company overview & financial benchmarking

Company overview

Milestone Gears, founded in 1984 by technocrat Ashok Tandon, is an Indian manufacturer specialising in precision transmission components. Established in 1984, Milestone Gears manufactures a wide range of precision transmission components, catering to diverse automotive and industrial applications. With over 40 years of experience in manufacturing and supplying transmission components, Milestone Gears has established a solid presence as a well-recognised brand across the sectors it serves and the customers it supports. Its product range covers bull gears, ring gears, rear axles, spindles, transmission gears and transmission shafts, cut bevel gears, rockshafts, induction hardened shafts & planetary drive components, serving leading OEMs in the automotive, tractor & off-highway segments.

Milestone utilises advanced manufacturing techniques, including forging, CNC machining, heat treatment, and rigorous material testing, to ensure high quality, precision, and durability. The forging and heat-treatment operations are conducted using SCADA-controlled furnaces for normalising, hardening and tempering, and iso-thermal annealing, demonstrating meticulous SOP adherence to consistently achieve the metallurgical properties essential for reliable auto component manufacturing. Further, our heat treatment processes are CQI-9 compliant, meeting high metallurgical standards as set in key global OEM's. The company utilises advanced manufacturing techniques, including forging, CNC machining, heat treatment, and rigorous material testing, to ensure high quality, precision, and durability across all its components. This ensures they are suitable for

both domestic and international OEM requirements.

Today, Milestone supplied over 700 active parts as of June 30, 2025, out of which several are single-source parts across nine global geographies and supplies components to all the top nine OEMs in the tractor sector in India. Additionally, Milestone has manufactured ring gears for the top 9 domestic tractor OEMs, in addition to catering to diverse industries like EVs, Construction equipment, Locomotives, Windmills & other heavy industries.

Milestone is manufacturer of high-precision, complex engineered transmission components in terms of volume and product range in Fiscal 2025. The company has established a strong market position across key tractor components in India:

- Holds a market share of approximately 37.0% in bull gears in terms of volume in Fiscal 2025.
- Accounts for approximately 30.0% of the market in internal ring gears for tractors in Fiscal 2025.
- Captures approximately 23.0% of the market for rockshafts and other induction hardened shafts for tractors in Fiscal 2025.
- Holds approximately 22.0% of the market in rear axles for tractors in Fiscal 2025.

The company faces competition in India and overseas, which is influenced by factors including product quality & reliability, breadth of product range, technology, manufacturing capabilities, scope & quality of service, pricing, and brand recognition in the precision components manufacturing industry.

Manufacturing facilities are strategically located near key customer clusters, enhancing responsiveness & delivery efficiency. Further, the company's operations are predominantly in Himachal Pradesh (with 7 of its 9 plants in Himachal Pradesh), providing access to stable, high-quality hydel power that supports the company's ESG commitment through a low-carbon operational footprint. The plants are certified by various global standards, and the company is also in the process of securing Transportation & Power Generation (TPG) certification which is a mandatory pre-requisite for any supplier intending to supply safety-critical components to locomotive OEMs in the United States.

Financial benchmarking

Financial performance of the relevant companies is presented below, highlighting a comparison of revenue, EBITDA, and PAT. It is typical for companies to view their costs and profitability measures in relation to their revenues, which represent the total value of sales, to measure the profitability progress of the business. In view of this, the comparison also includes revenue from operations, revenue from operations change, EBITDA margin, PAT, PAT margin, Return on Capital Employed (RoCE), Return on Net Worth (RoNW), net debt to equity, fixed asset turnover, capital expenditure, capital expenditure %, cash conversion cycle, revenue breakdown (end-user), revenue breakdown (exports) and revenue breakdown (imports).

The 'Peers' considered for Milestone Gears Ltd. are Bharat Forge Ltd., Sona BLW Precision Forgings Ltd., Happy Forgings Ltd., Ramkrishna Forgings Ltd., and Shanthi Gears Ltd.

Parameters	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
Revenue from operations (INR million)	Milestone Gears Ltd.	1,680.34	5,301.69	5,333.24	6,129.38
	Bharat Forge Ltd.	39,087.49	1,51,228.03	1,56,820.71	1,29,102.59
	Sona BLW Precision Forgings Ltd.	8,539.07	35,460.21	31,847.70	26,550.10
	Happy Forgings Ltd.	3,538.03	14,088.95	13,582.36	11,965.29
	Ramkrishna Forgings Ltd.	10,152.56	40,341.07	37,045.45	31,928.95
	Shanthi Gears Ltd.	1,348.90	6,046.20	5,360.50	4,456.50
Revenue from operations (% change)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	-	(0.59) %	(12.99) %	-
	Bharat Forge Ltd.	-	(3.57) %	21.47%	-
	Sona BLW Precision Forgings	-	11.34%	19.95%	-

	Ltd.				
	Happy Forgings Ltd.	-	3.73%	13.51%	-
	Ramkrishna Forgings Ltd.	-	8.90%	16.02%	-
	Shanthi Gears Ltd.	-	12.79%	20.28%	-

	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
EBITDA (INR million)	Milestone Gears Ltd.	317.67	963.05	705.62	768.31
	Bharat Forge Ltd.	6,817.00	27,131.19	25,660.86	17,764.40
	Sona BLW Precision Forgings Ltd.	2,025.00	9,753.00	9,021.00	6,958.00
	Happy Forgings Ltd.	1,010.00	4,067.00	3,875.40	3,409.40
	Ramkrishna Forgings Ltd.	1,486.10	5,595.60	7,729.10	6,923.20
	Shanthi Gears Ltd.	N/a	1,433.90	1,228.50	1,010.70

	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
EBITDA Margin (%)	Milestone Gears Ltd.	18.91%	18.16%	13.23%	12.53%
	Bharat Forge Ltd.	17.44%	17.94%	16.36%	13.76%
	Sona BLW Precision Forgings Ltd.	23.71%	27.50%	28.33%	26.21%
	Happy Forgings Ltd.	28.55%	28.87%	28.53%	28.49%
	Ramkrishna Forgings Ltd.	14.64%	13.87%	20.86%	21.68%
	Shanthi Gears Ltd.	N/a	23.72%	22.92%	22.68%

	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
PAT (INR million)	Milestone Gears Ltd.	93.61	220.64	67.20	140.65
	Bharat Forge Ltd.	2,838.70	9,132.75	9,101.59	5,083.87
	Sona BLW Precision Forgings Ltd.	1,217.09	5,996.88	5,177.76	3,952.97
	Happy Forgings Ltd.	656.90	2,674.36	2,429.84	2087.00
	Ramkrishna Forgings Ltd.	117.86	4,150.25	2,912.13	2,481.08
	Shanthi Gears Ltd.	226.90	960.30	822.50	670.50

	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
PAT Margin (%)	Milestone Gears Ltd.	5.57%	4.16%	1.26%	2.29%
	Bharat Forge Ltd.	7.26%	6.04%	5.80%	3.94%
	Sona BLW Precision Forgings Ltd.	14.25%	16.91%	16.26%	14.89%
	Happy Forgings Ltd.	18.57%	18.98%	17.89%	17.44%

	Ramkrishna Forgings Ltd.	1.16%	10.29%	7.86%	7.77%
	Shanthi Gears Ltd.	16.82%	15.88%	15.34%	15.05%
RoCE* (%)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	4.41%	12.23%	9.04%	10.18%
	Bharat Forge Ltd.	N/a	15.40%	16.30%	10.20%
	Sona BLW Precision Forgings Ltd.	N/a	18.40%	31.00%	30.40%
	Happy Forgings Ltd.	N/a	19.20%	22.70%	25.70%
	Ramkrishna Forgings Ltd.	N/a	6.48%	19.50%	19.30%
	Shanthi Gears Ltd.	N/a	34.77%	33.86%	32.10%
RoNW* (%)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	6.90%	17.47%	6.46%	14.54%
	Bharat Forge Ltd.	N/a	12.10%	16.60%	13.60%
	Sona BLW Precision Forgings Ltd.	N/a	17.70%	28.50%	26.60%
	Happy Forgings Ltd.	N/a	15.40%	18.70%	23.50%
	Ramkrishna Forgings Ltd.	N/a	11.70%	16.30%	19.50%
	Shanthi Gears Ltd.	N/a	23.83%	23.82%	22.18%
Net debt to equity (Times)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	3.10	3.23	3.23	3.48
	Bharat Forge Ltd.	0.33	0.35	0.61	0.54
	Sona BLW Precision Forgings Ltd.	N/a	(0.48)	(0.03)	(0.04)
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	0.66	0.34	0.96
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a
Fixed asset turnover (Times)*	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	0.88	2.80	3.03	4.06
	Bharat Forge Ltd.	N/a	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	3.40	3.60	3.90
	Happy Forgings Ltd.	N/a	1.10	1.30	1.40
	Ramkrishna Forgings Ltd.	N/a	N/a	1.90	1.90
	Shanthi Gears Ltd.	N/a	7.65	7.43	6.35

Capital Expenditure (INR million)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	82.89	755.94	467.55	646.55
	Bharat Forge Ltd.	N/a	6,144.00	5,089.00	3,006.00
	Sona BLW Precision Forgings Ltd.	N/a	4155.00	3,191.00	3,351.00
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a

Capital Expenditure (%)	Company	Q1 FISCAL 206	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	4.93%	14.26%	8.77%	10.55%
	Bharat Forge Ltd.	N/a	4.06%	3.25%	2.33%
	Sona BLW Precision Forgings Ltd.	N/a	11.72%	10.02%	12.62%
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a

Cash conversion cycle (Days)	Company	Q1 FISCAL 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	199	223	173	132
	Bharat Forge Ltd.	N/a	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	N/a	N/a	N/a
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a

Revenue breakdown (end use) (%)	Company	Q1 FISCAL 2026				
		Tractors	CE	EV	Locomotives	Windmill & other heavy industries
	Milestone Gears Ltd.	83.30%	8.39%	5.60%	0.00%	2.71%
	Bharat Forge Ltd.	N/a	NA	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	NA	N/a	N/a	N/a
	Happy Forgings Ltd.	N/a	NA	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	NA	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	NA	N/a	N/a	N/a
	Company	FISCAL 205				
		Tractors	CE	EV	Locomotives	Windmill & other heavy industries

	Milestone Gears Ltd.	82.70%	11.32%	4.08%	0.00%	1.89%
	Bharat Forge Ltd.	N/a	N/a	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a	N/a
	Company	FISCAL 2024				
		Tractors	CE	EV	Locomotives	Windmill & other heavy industries
	Milestone Gears Ltd.	79.24%	14.03%	5.51%	0.00%	1.22%
	Bharat Forge Ltd.	N/a	N/a	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a	N/a
	Company	FISCAL 2023				
		Tractors	CE	EV	Locomotives	Windmill & other heavy industries
	Milestone Gears Ltd.	80.35%	10.14%	9.33%	0.00%	0.18%
	Bharat Forge Ltd.	N/a	N/a	N/a	N/a	N/a
	Sona BLW Precision Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Happy Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Ramkrishna Forgings Ltd.	N/a	N/a	N/a	N/a	N/a
	Shanthi Gears Ltd.	N/a	N/a	N/a	N/a	N/a

Revenue breakdown (domestic) (%)	Company	Q1 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	89.06%	90.57%	87.75%	84.94%
	Bharat Forge Ltd.	45.99%	43.70%	42.01%	41.13%
	Sona BLW Precision Forgings Ltd.	37.00%	29.00%	28.00%	29.00%
	Happy Forgings Ltd.	84.00%	82.00%	81.00%	87.00%
	Ramkrishna Forgings Ltd.	70.00%	58.40%	57.51%	58.50%
	Shanthi Gears Ltd.	N/a	90.20%	92.50%	93.00%
Revenue breakdown (exports) (%)	Company	Q1 2026	FISCAL 2025	FISCAL 2024	FISCAL 2023
	Milestone Gears Ltd.	10.94%	9.43%	12.25%	15.06%

	Bharat Forge Ltd.	54.01%	56.30%	57.99%	58.87%
	Sona BLW Precision Forgings Ltd.	63.00%	71.00%	72.00%	71.00%
	Happy Forgings Ltd.	16.00%	18.00%	19.00%	13.00%
	Ramkrishna Forgings Ltd.	30.00%	41.60%	42.49%	41.50%
	Shanthi Gears Ltd.	N/a	9.80%	7.50%	7.00%

Notes to Listed Peers:

1) All the financials for the industry peers mentioned above are on a consolidated basis(unless called out otherwise in notes)and is sourced from the annual reports, audited financial results and investor presentations as available of the respective company for the relevant year submitted to the Stock Exchanges except for Shanthi Gears Ltd. where all metrics are on a standalone basis. N/a refers to Not Applicable where the financial information is unavailable i.e. not reported by the industry peers in either their annual reports, audited financial results and investor presentations as submitted to the Stock Exchanges.

2) Revenue from Operations (% Change) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations for Bharat Forge Ltd, Sona BLW Precision Forgings Ltd, Happy Forgings Ltd, Ramkrishna Forgings Ltd, Shanthi Gears Ltd.

4) PAT Margin refers to PAT divided by Revenue from Operations for Bharat Forge Ltd. Sona BLW Precision Forgings Ltd, Happy Forgings Ltd, Ramkrishna Forgings Ltd, Shanthi Gears Ltd.

5) ROCE% for Ramkrishna Forgings Ltd is a standalone metrics for period ended March 31, 2025.

6) RoNW% for Bharat Forgings Ltd. is a standalone metrics for all periods.

7) Fixed Asset Turnover refers to only manufacturing business for Sona BLW Precision Forgings Ltd. Ramkrishna Forgings Ltd and Sona BLW Precision Forgings Ltd reports the metric as Fixed asset turnover while Happy forgings Ltd reports it as Gross fixed asset turnover.

8) Capital Expenditure for Bharat Forge Ltd. is a standalone metric for all periods.

9) Capital Expenditure % refers to Capital Expenditure / Revenue from Operations for Bharat Forge Ltd .and Sona BLW Precision Forgings Ltd

Notes related to Milestone Gears Ltd.

* RoCE (%), RoNW (%), & Fixed asset turnover are not annualised for the period ended June 30th 2025.

a) Revenue from Operations means the Revenue from Operations for the year/ period as appearing in the Restated Financial Information.

b) Revenue from Operations (% Change) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period multiplied by 100

c) EBITDA represents the restated profit for the year/ period plus total tax expense, finance cost, depreciation and amortization expense.

d) EBITDA Margin(%) is calculated as EBITDA as a percentage of Revenue from Operations.

e) Profit after Tax (PAT) is Restated profit for the year/ period as appearing in the Restated Financial Information.

f) PAT Margin(%) is calculated as PAT as a percentage of Revenue from Operations.

g) Return on Capital Employed(%) is calculated as earnings before interest and taxes(“**EBIT**”) divided by capital employed. EBIT is calculated as Restated profit before tax for the period/year plus finance costs. Capital employed being computed as the sum of total equity and current and non-current borrowings, minus intangible assets, intangible assets under development and deferred tax assets.

h) Return on Net Worth (RONW) (%) is calculated as restated profit for the year/ period divided by Net Worth at the end of the period/year.

i) Net Debt to Equity (Times) is calculated as net debt divided by total equity. Net debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities minus cash and cash equivalents.

j) Fixed Asset Turnover (Times) is calculated as Revenue from Operations for the period / year divided by average net block of property, plant and equipment and capital work in progress.

k) Cash Conversion Cycle (Days) is calculated as inventory days plus trade receivable days minus trade payable days. Inventory days is calculated as average inventory divided by cost of goods sold (“**COGS**”) multiplied by no. of days in the period / year. Trade receivable days is calculated as average trade receivables divided by Revenue from Operations multiplied by no. of days in the period / year. Trade payable days is calculated as trade payable divided by COGS multiplied by no. of days in the period / year.

l) Revenue breakdown (%) by End Use is calculated as revenue from each end use sector divided by total revenue from sale of products.

m) Revenue breakdown (%) by geography is calculated as revenue from each geography divided by total revenue from sale of products.

n) Capital Expenditure (value) is the aggregate of additions to property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and adjustment for movement in capital advances for the period/year.
o) Capital Expenditure (%) is calculated as Capital Expenditure (value) divided by Revenue from Operations for the period/year.

Operational benchmarking

Operational metrics	Milestone Gears Ltd.	Bharat Forge Ltd.	Sona BLW Precision Forgings Ltd.	Happy Forgings Ltd.	Ramkrishna Forgings Ltd.	Shanthi Gears Ltd.
Establishment year	1984	1961	1995	1979	1981	1960
Manufacturing plants (#)	9	18	12	3	11	3
New products developed (#)	307	57	3	N/a	413	N/a
Forging capacity (MTPA)	35,460	6,36,400	N/a	1,27,000	70,350	N/a
Forging utilisation (%)	94.20%	N/a	N/a	57.00%	N/a	N/a
Machining capacity (# of parts)	49,28,400	N/a	N/a	N/a	N/a	N/a
Machining utilisation (%)	68.10%	N/a	N/a	N/a	N/a	N/a
Total no. of employees (#)	1,417	4,354	5,019	3,171	2,776	503

Notes:

- N/a means not available
- Manufacturing plants refer to the number of manufacturing facilities that the company owns at the end of the financial year, ending March 31, 2025
- New products deployed refers to the number of new products that the company has launched at the end of the financial year, ending March 31, 2025
- Forging capacity is the total forging capacity of the company at the end of the financial year, ending March 31, 2025
- Forging utilisation is the % of forging capacity utilised as at the end of the financial year ending March 31, 2025
- Machining capacity is the total machining capacity of the company as of the end of the financial year, ending March 31, 2025
- Machining utilisation is the % of machining capacity utilised as at the end of the financial year ending March 31, 2025
- Number of employees refers to the total strength of employees employed as at the end of, and for the financial year ending March 31, 2025
- Total no. of employees for Milestone Gears Ltd. as at the end of the period ending June 30, 2025

Threats & challenges faced by gears & component industry

- Stringent regulatory framework:** Stringent regulatory frameworks, including OEM-mandated standards such as IATF 16949, ISO 14001 & PPAP, expose precision component manufacturers to operational & financial risks. Non-compliance,

audit delays, or failure to meet certification requirements can lead to order rejection, increased costs, & potential loss of credibility with leading OEMs.

- **Intensified competition from global players:** Global suppliers with integrated forging, machining, and assembly capabilities pose a major threat to Indian component manufacturers. Trade policies such as the UK-India FTA could further intensify this by increasing imports of high-precision components & thereby eroding domestic players' market share.
- **Limited customer acquisition:** Most key OEMs maintain stringent quality standards & long-term contracts with selected suppliers, restricting opportunities for new vendors. This limits the ability of component manufacturers to diversify their client base, creating dependency on a few OEMs & exposing them to potential bottlenecks & growth constraints.
- **Frequent technological upgradations:** Rapid evolution of Industry 5.0 standards in precision manufacturing requires continuous upgrades in CNC machining, gear grinding & digital inspection. Ensuring compliance with the high-precision requirements of automotive, off-highway & agri-equipment OEMs entails substantial capital & workforce upskilling, making frequent technological upgrades a persistent operational challenge for manufacturers.

Such operational & regulatory challenges represent the key threats to the Indian precision gears & components industry.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 24 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 36, 309 and 367, respectively, for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company’s financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 309. Also see, “Definitions and Abbreviations” on page 6 for certain terms used in this section. Unless otherwise stated or the context otherwise requires, references in this section to “we”, “us”, “our”, “our Company” or “the Company” are to Milestone Gears Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Gears and Precision Components Industry Report” dated November 2025 (the “**1Lattice Report**”) prepared and issued by Lattice Technologies Private Limited, appointed by us pursuant to an engagement letter dated July 7, 2025 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the 1Lattice Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. A copy of the 1Lattice Report is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>. For further information, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 72. Also see, “Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data –Industry and Market Data” on page 21.

OVERVIEW

We are a manufacturer of high-precision, complex engineered transmission components that have applications across multiple sectors, including tractors, construction equipment, electric vehicles (“EVs”), locomotives, windmills and other heavy industries. We supply our products to Indian and global original equipment manufacturers (“OEM”) customers, including their affiliated entities. Between April 1, 2022 and June 30, 2025, we have supplied to more than 50 customers, including all the top nine OEMs in the tractor sector in India (Source: 1Lattice Report), and have established long-standing relationships with majority of them. We leverage our end-to-end manufacturing capabilities, backed by a technology-driven approach and fungible production setup, to manufacture a broad spectrum of transmission component families, making us as a one-stop shop for the complete range of transmission components.

We are a technology-oriented company committed to addressing customer requirements through the adoption of advanced equipment and machinery that enable us to not only continuously meet the changing engineering specifications of the components and foray into new products but also keep our existing portfolio aligned with customer expectations, and improve operational efficiencies. Our product portfolio comprises bull gears, transmission gears and transmission shafts, rear axles, spindles, internal ring gears, rock shafts and induction hardened shafts, cut bevel gears, and ground gears and shafts, which we supply to domestic and global OEMs.

Our more than 40 years of experience in manufacturing and supplying transmission components have solidified our presence as a well-recognised brand across the sectors we serve and the customers we support. (Source: 1Lattice Report) We have secured significant market share in the following product categories:

- approximately 37.0% market share in bull gears for tractors in India in terms of volume in Fiscal 2025 (Source: 1Lattice Report)
- approximately 30.0% market share in internal ring gears in the Indian tractor market in terms of volume in Fiscal 2025 (Source: 1Lattice Report)
- approximately 23.0% market share in rockshafts and other induction hardened shafts for tractors in India in terms of volume in Fiscal 2025. (Source: 1Lattice Report)

- approximately 22.0% market share in rear axles for tractors in India in terms of volume in Fiscal 2025. (Source: 1Lattice Report)

Over the years, we have invested significantly in advancing our manufacturing processes and strengthening our engineering as well as production capabilities. This has resulted in developing new products and meeting the dynamic component specifications on precision and evolving expectations of our customers. We employ over 32 product-development engineers drawn from engineering, science and technology disciplines as of June 30, 2025. These engineers drive continuous innovation and customised solutions to customer requirements. For new product development, we engage with customers from the first design specification, locking in manufacturability, performance and cost targets. This early engagement enables us to forge enduring relationships with our customers. Our product development capabilities have resulted in a diverse portfolio of more than 700 active parts as of June 30, 2025, out of which several are single-source parts (Source: 1Lattice Report) Single-source parts are parts that are exclusively procured from us by our customers, which stands as a testimony of the robustness of our management practices, production and execution capabilities, and quality assurance. Out of more than 700 active parts, more than 307 parts were developed and commercialised since April 1, 2022, including 218 and 15 parts in Fiscal 2025 and the three months ended June 30, 2025, respectively. This demonstrates our focus and agility in developing new products to meet customer needs, and on-boarding new customers. Our revenue from the aforesaid newly developed parts was ₹ 289.22 million, ₹ 498.68 million, nil and nil in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, representing 18.37%, 10.28%, nil and nil of our revenue from sale of products during the respective period.

Our extensive range of products, coupled with our continuous efforts to foray into new offerings, equips us to capture business opportunities from diverse sectors, including tractors, construction equipment, EV, locomotive, windmills and other heavy industries. We began with agricultural-equipment components and established our position in this sector and then moved into construction equipment in 2009. We further expanded the product portfolio to improve margins, mitigate cycle risk and reduce end market dependence by broadening the addressable market. In 2019, we entered the fast-growing EV segment to cater to rising domestic procurement needs and to capitalise on the global supply-chain shift away from China and Taiwan that is channelling a significant share of EV component demand to India. (Source: 1Lattice Report) We commissioned our greenfield facility, Unit IX, primarily dedicated to EV-drivetrain components, and invested more than ₹ 700 million in advanced technologies in the last three Fiscals to meet the stringent tolerances required by electric vehicles. Continuing our diversification drive, we entered the windmill and heavy-industry sector in 2022 and the locomotive sector in 2024. Below are some examples, demonstrating our efforts to diversify our revenue streams across sectors:

- in Fiscal 2019, we started supplying geared EV components for onward integration into vehicles of a U.S.-headquartered EV brand and in Fiscal 2025, further, we received orders from Valeo for the supply of link shaft and e-motor shafts for an EV manufacturer in India. We have been onboarded on the supplier panel of one of the top global suppliers of technology for EV, although purchase orders are yet to be released;
- in Fiscal 2025, we were also onboarded by Wabtec Corporation, USA for the development of locomotive components which is presently underway; and in Fiscal 2025, we received an order from Progress Rail Services Corporation to supply locomotive components. Progress Rail Services Corporation, a Caterpillar subsidiary and Wabtec Corporation, USA are the leading and largest locomotive components companies in the USA. (Source: 1Lattice Report).

This strategic progression underscores our expertise in delivering advanced solutions for sectors demanding high engineering precision. Further, securing customer approvals for new products demonstrates our commitment to foray into new product lines and ability to meet evolving needs.

The table below sets forth the revenues from various end-use sectors, expressed as a sale of products for the period/ years indicated:

End-use Sector	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Tractors	1,311.16	83.30%	4,010.59	82.70%	3,896.22	79.24%	4,521.47	80.35%
Construction equipment	132.06	8.39%	549.04	11.32%	689.69	14.03%	570.76	10.14%
Electric vehicles	88.13	5.60%	198.09	4.08%	270.79	5.51%	524.78	9.33%
Locomotive	-	0.00%	0.06	0.00%	-	0.00%	-	0.00%
Windmills and other heavy industries	42.73	2.71%	91.52	1.89%	60.00	1.22%	10.28	0.18%
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

We have established long-standing relationships with several Indian and global customers across sectors. Between April 1, 2022 and June 30, 2025, we have served more than 50 customers, including affiliated entities of OEMs. Our focus on quality, value proposition, timely delivery of our products and the price competitiveness of our offerings has enabled us to maintain long-term relationships with our customers. We have maintained a strong record of customer retention, with a significant number of customer relationships initiated by us, continuing to the present date. Some of these customers include TAFE Motors & Tractors Limited, Tractor & Farm Equipment Limited, Mahindra & Mahindra Limited and Mahindra & Mahindra Limited – Swaraj Division. We have long-standing relationships, on average, of more than 18 years with our top 10 customers in terms of revenue from sale of products in Fiscal 2025. Our customers who have been associated with us for more than 10 years contributed 89.86%, 92.97%, 92.05% and 89.91% of our revenue from sale of products in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023. While we have many key customers, who have been associated with us for a long time, we nevertheless have a diversified customer base with no individual customer contributing more than 18.23% of our revenue from sale of products in Fiscal 2025, 2024 and 2023.

While we continue to deepen relationships with our long-standing customers, we remain focused on new-customer acquisition. We have added an aggregate of 24 new customers in Fiscal 2025, 2024 and 2023, expanding our global reach and diversifying our revenue base. Some of these new customers include Valeo, Wabtec, Liebherr, Caterpillar and John Deere India Private Limited. This demonstrates that we have navigated the stringent product approval cycles and complex customer acquisition processes of our domestic and global customers, which act as key barriers in the Indian component market. Between April 1, 2022 and June 30, 2025, we have exported our products to ten countries, including the United States of America, the United Kingdom, Turkey, Germany, Belgium, Italy, Brazil, China, Hungary and Malaysia. Our revenue from sale of products outside India was ₹ 172.22 million, ₹ 457.19 million, ₹ 602.45 million and ₹ 847.27 million in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, representing 10.94%, 9.43%, 12.25% and 15.06% of our revenue from sale of products during these periods, respectively.

We have nine manufacturing facilities spread across Punjab, Haryana and Himachal Pradesh, covering an aggregate built-up area of over 398,000 square feet on a total area of more than 700,000 square feet. Our manufacturing facilities are strategically located near the delivery locations of some of our customers, including Mahindra & Mahindra Limited – Swaraj Division, International Tractors Limited, Escorts Kubota Limited, JCB India Limited, Mahindra & Mahindra and Cnh Industrial (India) Private Limited. This helps us cut logistics time and costs, improve operational efficiency, strengthen supply-chain resilience, and allow us to respond to our customers' need rapidly. The close clustering of these manufacturing facilities within the state further reduces both freight time and cost as components move sequentially between processes. Our operations are power-intensive, and our strategic presence in Himachal Pradesh (with 7 of our 9 plants in Himachal Pradesh), giving us access to stable, high-quality hydel power (*Source: ILattice Report*). This enables us to maintain a low-carbon operational footprint, reinforcing our ESG commitment and supporting sustainable growth. As of June 30, 2025, the annual installed capacity (in terms of number of pieces) for bull gears was 6,60,000, rear axles was 505,200, rock shafts and other induction hardened shafts was 360,000, internal ring gears was 540,000, transmission gears and transmission shafts was 26,40,000, spindles was 72,000, bevel gears was 9,24,000 and ground gears and shafts was 9,57,600.

Our end-to-end capability of manufacturing products, from in-house forging to machining and heat treatment, enables us to deliver quality transmission components that cater to the evolving needs of diverse sectors. The flexible and fungible nature of our standard machines allows us to interchange capacity and product mix between all our product categories, maximising productivity and insulating the business from sector-specific cycles or under-utilisation. We also maintain strict quality control through material testing measures to ensure compliance with quality standards and customer requirements. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. We enforce quality-control standards at every manufacturing stage and only products that satisfy these standards proceed to the next process or are cleared for dispatch. Our quality control team comprises 232 permanent employees as of June 30, 2025. Our dedication to quality is demonstrated by our consistent attainment of customer-set parts per million (“PPM”) defect targets, ensuring our customers receive quality products.

Our Promoters, our Board and senior management have been instrumental in the growth of our business and have enabled us to take advantage of market opportunities and to better serve our customers. Their experience spans operations, business development, and customer relationships. Our Promoter and Chairman-cum-Executive Director, Ashok Kumar Tandon, holds a bachelor's degree in mechanical engineering from Birla Institute of Technology, Ranchi University and a master's degree in engineering administration from the University of Utah and has approximately 43 years of industry experience in the auto components sector. He is responsible for providing guidance in formulating our long-term business strategies and policies and has been pivotal in steering our growth and development. Our Promoter and Managing Director, Aman Tandon, has approximately 27 years of experience in the auto components sector. He is responsible for overseeing the day-to-day operations of our Company and providing guidance on our strategy, business development and customer relationships. Our workforce is a critical asset, comprising 1,417 as of June 30, 2025. These professionals form the backbone of our operations, driving innovation, ensuring quality, and maintaining the high standards that our customers expect from us.

The following table sets forth certain of our financial information for the period/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from operations (₹ million)	1,680.34	5,301.69	5,333.24	6,129.38
Gross profit ⁽¹⁾ (₹ million)	964.70	3,122.27	2,765.36	3,310.45
Gross margin ⁽²⁾ (%)	57.41%	58.89%	51.85%	54.01%
EBITDA ⁽³⁾ (₹ million)	317.67	963.05	705.62	768.31
EBITDA margin ⁽⁴⁾	18.91%	18.16%	13.23%	12.53%
Restated profit for the year ("PAT") (₹ million)	93.61	220.64	67.20	140.65
PAT margin ⁽⁵⁾	5.57%	4.16%	1.26%	2.29%
Return on net worth ⁽⁶⁾ (%)	6.90%	17.47%	6.46%	14.54%
Return on capital employed (%) ⁽⁷⁾	4.41%	12.23%	9.04%	10.18%
Net Debt to equity ⁽⁸⁾ (in times)	3.10	3.23	3.23	3.48
Fixed asset turnover ratio ⁽⁹⁾ (in times)	0.88	2.80	3.03	4.06

Notes:

- (1) Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus (increase)/decrease in inventories of finished goods, work-in-progress and scrap.
- (2) Gross margin is calculated as gross profit divided by revenue from operations.
- (3) EBITDA represents the restated profit for the year/period plus total tax expense, finance cost, depreciation and amortization expense.
- (4) EBITDA margin is calculated as EBITDA divided by revenue from operations.
- (5) PAT margin is calculated as restated profit for the year/period divided by revenue from operations.
- (6) Return on net worth is calculated as Restated profit for the year/period attributable to equity Shareholders of the Company / Restated net worth at the end of the year/period. The figures are on an unannualized basis for the period ended June 30, 2025.
- (7) Return on capital employed (%) is calculated as earnings before interest and taxes ("EBIT") divided by capital employed. EBIT is calculated as Restated profit before tax for the period/year plus finance costs. Capital employed being computed as the sum of total equity and current and non-current borrowings, minus intangible assets, intangible assets under development and deferred tax assets. The figures are on an unannualized basis for the period ended June 30, 2025.
- (8) Net debt to equity is calculated as net debt divided by total equity. Net debt is calculated as non current borrowings plus current borrowings plus non current lease liabilities plus current lease liabilities minus total of cash and cash equivalents.
- (9) Fixed asset turnover ratio is calculated as revenue from operations for the period / year divided by average net block of property, plant and equipment including capital work in progress. The figures are on an unannualized basis for the period ended June 30, 2025.

OUR STRENGTHS

1. **High-precision, complex engineered transmission components manufacturer with a strong product portfolio and market leadership across various products**

We commenced our operations in 1984 with the machining of bull gears and rear axle shafts, and establishment of induction hardening process for the same and have since evolved into a manufacturer of several high-precision, complex engineered transmission components. Over the years, we have strengthened our engineering, product development and technological capabilities, which have allowed us to foray into newer products, resulting in a diverse product portfolio catering to diverse sectors like tractors, construction equipment, electric vehicles, locomotives, windmills and other heavy industries. For example, we supplied fully finished bull gears and rear axles and rock shafts in the initial years, and subsequently expanded our product portfolio to include transmission gears and transmission shafts in 2010, internal ring gears in 2014, cut bevel gears in 2021, and ground gears and shafts in 2022.

These advances have enabled us to serve as a one-stop shop for a wide range of high-precision, complex engineered transmission components, with significant market share across various products and sectors. For example,

- approximately 37.0% market share in bull gears for tractors in India in terms of volume in Fiscal 2025 (Source: *ILattice Report*)
- approximately 30.0% market share in internal ring gears in the Indian tractor market in terms of volume in Fiscal 2025 (Source: *ILattice Report*)
- approximately 23.0% market share in rockshafts and other induction hardened shafts for tractors in India in terms of volume in Fiscal 2025. (Source: *ILattice Report*)
- approximately 22.0% market share in rear axles for tractors in India in terms of volume in Fiscal 2025. (Source: *ILattice Report*)

Our Product Portfolio



Below are our products along with their SKUs and the sectors in which they are used:

Product Name	Number of SKUs as at June 30, 2025	Sector
Bull Gears	79	Tractors and Locomotive
Rear Axles	65	Tractors and Construction Equipment
Internal Ring Gears	69	EV, Tractors, Construction Equipment, Windmill
Rock Shafts and Induction hardened Shafts	36	Tractors and Construction Equipment
Transmission Gears and Transmission Shafts	433	EV, Tractors and Construction Equipment
Cut Bevel Gears	1	EV and Tractors
Ground Gears and Shafts	10	EV, Tractors, Construction Equipment and Windmill
Spindles	10	Tractors

We have been able to become an integral part of our customers' manufacturing supply chains by offering multiple products, increasing our range of products and increasing our share of business with them. Our varied product offerings and continuous product development efforts have enabled us to cater to multiple sectors and customers and enhance our ability to attract new customers.

The table below sets forth our revenue from sale of products by product families, expressed as a percentage of sale of products for the period/ years indicated:

Product	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Bull Gears	455.48	28.94%	1,382.91	28.52%	1,426.27	29.01%	1,498.60	26.63%
Transmission gears and Transmission shafts	428.37	27.21%	1,279.96	26.40%	1,271.01	25.85%	1,286.35	22.86%
Rear Axles	384.31	24.41%	1,222.09	25.20%	1,198.20	24.37%	1,500.91	26.67%
Internal Ring Gears	176.59	11.22%	515.11	10.62%	582.81	11.85%	638.12	11.34%
Rock Shafts and Induction hardened Shafts	98.87	6.28%	333.55	6.88%	326.49	6.64%	419.80	7.46%
Spindles	15.10	0.96%	43.75	0.90%	40.22	0.82%	113.88	2.02%
Ground Gears and Shafts	13.45	0.85%	18.15	0.37%	11.44	0.23%	0.01	0.00%
Cut Bevel Gears	Nil	NA	22.02	0.45%	38.88	0.79%	169.62	3.02%
Others	1.91	0.13%	31.76	0.66%	21.38	0.44%	Nil	NA
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

2. Track record of consistently building technological capabilities, enabling us to manufacture high-quality, intricate and critical products

We are a technology-oriented company that has invested significant capital in machinery to meet geometries and tolerances, ensuring our manufacturing capability remains aligned with the rising precision, strength and durability expectations of the sectors we serve. For details of our capital expenditure in the last three Fiscals, see “ - *Strategically located manufacturing facilities with end-to-end in-house manufacturing operations*” on page 241. Our advanced engineering expertise, combined with a deep understanding of customer requirements, enable us to shorten prototyping lead times and deliver high quality, cost effective products that meet design specifications. We focus on adopting emerging technologies to enhance operational efficiency and expand our product portfolio in lines with customer expectations and evolving industry standards. Our technologically advanced manufacturing operations allowed us to have a diverse portfolio of more than 700 active parts as of June 30, 2025, out of which, several are single-source parts (*Source: 1Lattice Report*) which means these parts are exclusively procured from us by our customers, highlighting our value proposition and the trust they place in our ability to deliver specific components. Out of more than 700 active parts, more than 307 parts were developed and commercialised since April 1, 2022, including 218 and 15 parts in Fiscals 2025 and in the three months ended June 30, 2025, respectively, demonstrating our focus on new product development and on-boarding new customers.

We have in the past addressed the customer requirements through technology. For example, we addressed the high cost and low performance of rear axles in the late 1980s was effectively mitigated through induction hardening technology. (*Source: 1Lattice Report*) We were one of the early adopters of scudding technology for skiving internal ring gears in 2015 in India. Scudding technology is a German patented technology and is an upgrade over dry cutting skiving technology. (*Source: 1Lattice Report*) Further, as of June 30, 2025, we manage an extensive fleet of nine scudding machines and have a significant production capacity for scudded products in India. The scudding process is a continuous, high-speed gear cutting technology that efficiently produces internal ring gears with a tool similar to a helical shaper cutter, but with a continuous cutting action, producing gears with high quality and a low surface roughness. It can machine gears without needing an undercut or groove, allowing for programming of the gear end with a radius. This method is known for its rapid cycle times and the ability to produce high-quality gears with low surface roughness, making it a productive and flexible gear-generating process. The high number of cuts per time unit leads to very short cycle times, making the process very efficient and productive. (*Source: 1Lattice Report*) We used the same scudding technology to enter the high-barrier EV sector. EV drivelines require near-silent operation and precise micro-geometry to protect bearings and motors from noise, vibration, and harshness (“NVH”), as well as torque ripple. By combining heat treatment strength with scudding precision, we manufacture and supply ring-gear sets that meet these EV standards, positioning us among the select suppliers in India to cater to domestic and overseas markets. Apart from the EV sector, scudding has also allowed us to develop products for other sectors that use compound ring gears, completing them in a single setup that would otherwise require multiple operations such as broaching and shaping. We are also equipped with both broaching and shaping machines for simple ring gears.

Below are examples that demonstrate our strive towards adopting advanced technologies into our manufacturing operations.

- We inducted 15 CNC hobbing machines from Liebherr Machine Tools India Private Limited & Gleason, enabling us to achieve lead and profile parameters for bull gears, transmission gear and transmission shafts, which were not possible on conventional hobbing machines;
- We inducted nine Proficator scudding machines from Germany for internal ring gears and have a significant concentration of these machines in India as of June 30, 2025 (*Source: 1Lattice Report*);
- We installed two 11-axis CNC Gleason 280C with robotics and closed-loop automatic quality feedback and correction in sync with GMS-350 gear analyser, giving us the capability to produce low-NVH differential components that conventional bevel generators could not deliver;
- We commissioned three Reishauer generative gear-grinding machines, allowing us to manufacture gears and shafts consistently up to DIN Class-4 tolerances;
- We deployed speciality turning centres from Japan, providing us with the operational efficiency to machine blind internal splines with ease;
- We inducted induction billet heaters, improving forging quality and reducing operational costs relative to oil-fired furnaces;
- We adopted seal-quench furnaces from Aichelin, enabling us to achieve metallurgical parameters beyond those attainable with conventional gas carburising systems.

- We have procured high end CNC gear analysers from Klingelnberg, Mahr, Gleason and Osaka enabling us to analyse gears up to diameter of 800 mm and shafts up to 1000mm in length alongside other CNC gear analysers from other manufacturers.
 - We have installed vision/ optical inspection equipment from Mahr and automated gear inspection equipment from Calibro gear mate.
- 3. Diversified business model serving multiple sectors, well-positioned to capitalize on the growing demand for high precision and complex engineered components across various sectors, including EV**

Our extensive range of products, coupled with our continuous efforts to foray into new products, enables us to cater to various sectors, including tractors, construction equipment, EV, locomotive, windmills and other heavy industries. For instance, we manufacture bull gears for the agricultural and locomotive sectors, rear axles and spindles for the agricultural sector, construction equipment, internal ring gears for EV, tractors, construction equipment and windmill and bevel gears for the tractors and EV sector. We have consistently pursued product and sector diversification as a route to enlarge our addressable market and create multiple engines of growth. We began with agricultural-equipment components, added construction-equipment parts in 2009, entered the fast-growing EV segment in 2019, expanded into windmill and heavy-industry sectors in 2022, and commenced development and supply of locomotive components in 2024. We also leverage our engineering knowledge and production methods to diversify and enter into new sectors. Our product development engineers, qualified in engineering, science and technology, work with customers to design products that meet present specifications and monitor evolving market trends so that new development remains aligned with future demand. For example, we manufactured internal ring gears for all the top 9 domestic tractor OEMs (*Source: 1Lattice Report*), and we applied the same engineering capabilities and manufacturing processes to supply internal ring gears for construction equipment, EV and windmills. Our diversified presence across various sectors and engineering capabilities provides us with the flexibility to operate across business cycles and mitigate any fluctuations in the sector.

The table below sets forth the revenues from various end-use sectors, expressed as a percentage of our sale of products for the period/years indicated:

End-use Sector	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Tractors	1,311.16	83.30%	4,010.59	82.70%	3,896.22	79.24%	4,521.47	80.35%
Construction equipment	132.06	8.39%	549.04	11.32%	689.69	14.03%	570.76	10.14%
Electric vehicles	88.13	5.60%	198.09	4.08%	270.79	5.51%	524.78	9.33%
Locomotive	Nil	NA	0.06	0.00%	Nil	NA	Nil	NA
Windmills and other heavy industries	42.73	2.71%	91.52	1.89%	60.00	1.22%	10.28	0.18%
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

The key sectors in which we operate – tractors, construction equipment, electric vehicles, locomotives, and windmills – have shown significant growth over the years. (*Source: 1Lattice Report*)

Particulars	Fiscal 2025	Fiscal 2030	CAGR (Fiscal 2025 to Fiscal 2030)
Tractors (in ₹ billion)	1,250.8	2,060.8	10.5%
Construction equipment (in ₹ billion)	898.9	1,732.5	14.0%
EV sales in India (in terms of number of EV vehicles in million)	0.19	1.7	56.0%
Indian railway component market (in ₹ billion)	1,055.1	1,276.1	3.9%
Indian windmill component market (in ₹ billion)	397.5	512.1	5.2%

(*Source: 1Lattice Report*)

With our engineering expertise and product development capabilities, coupled with technologically advanced manufacturing operations, we believe that we are well-positioned to cater to the growing demand from these sectors.

4. Long-standing relationships with marquee global and domestic OEM customers

We have, through over 40 years of business operations, established long-standing relationships with several marquee Indian and global OEM customers across sectors. We have a diversified and increasing customer base across the sectors in which we operate. We have served more than 50 customers between April 1, 2022 and June 30, 2025, including all the top nine OEMs in the tractor sector in India. (*Source: 1Lattice Report*) We believe that manufacturing and delivering capabilities, consistent

product performance, and maintaining quality standards in the sectors in which we operate are essential in developing and retaining customers. Our strong focus on quality, value proposition, timely delivery of our products and the price competitiveness of our offerings has helped us in establishing and maintaining long-term relationships with our customers and resulted in customer stickiness. We have retained every major customer relationship we have entered into since commencing operations.

The table below sets forth customers across different sectors:

End-use Sector	Customers
Tractors	33
Construction equipment	11
Electric vehicles	2
Locomotives	1
Windmills and other heavy industries	14

The Indian precision components market is characterised by high entry barriers that limit the participation of new players. Stringent product approval cycles, mandated certifications, complex customer acquisition processes and the need for strong technical expertise create significant hurdles. In addition, integrated supply-chain management, supported by advanced manufacturing infrastructure, further strengthens the position of incumbents, making it challenging for new entrants to match the scale, quality and compliance standards required by OEMs and Tier-1 suppliers. (Source: *1Lattice Report*). Our domestic and global customers have stringent selection procedures and product specifications for procurement from third-party suppliers, including in terms of supplier audit, testing, trial runs, periodic reviews and inspections of our procurement, manufacturing, logistical capabilities. For example, we have undergone an extensive product-approval process spanning roughly 10 to 14 months with certain global OEMs to secure onboarding with them. Our track record of having established and maintained long-term relationships with multiple such customers illustrates our commitment to successfully serve and meet the requirements of our customers, through the supply of quality products and solutions.

We have long-standing relationships, on average, of more than 18 years with our top 10 customers (in terms of revenue from the sale of products in Fiscal 2025). Our ability to establish and maintain long-term relationships with numerous customers demonstrates our commitment to providing quality products and solutions that meet their requirements and also provides us with a significant advantage to effectively compete with our competitors. The table below sets forth the details of our top 10 customers (in terms of revenue from sale of products in Fiscal 2025) in terms of relationship as of June 30, 2025:

S. No.	Customer	Number of years of customer relationship
1.	Mahindra & Mahindra Limited	15
2.	Tractor & Farm Equipment Limited	20
3.	Tafe Motors & Tractors Limited	40
4.	Mahindra & Mahindra Limited – Swaraj Division	15
5.	Escorts Kubota Limited	14
6.	International Tractors Limited	24
7.	United Gear and Assembly, Inc.	7
8.	Cnh Industrial (India) Private Limited	20
9.	JCB India Limited	15
10.	JCB UK Limited	16

Over the years, we have grown our share of wallet by steadily expanding the product range we offer to our customers. For example,

- We have had a relationship with Tafe Motors & Tractors Limited ("**TMTL**") (erstwhile Eicher Tractors) for 40 years wherein we supplied hobbled bull gears, machined rear axles and fully finished bull gears in the initial years of our relationship, and then gradually started supplying rear axles, rock shafts, transmission gear sets, FD pinions, planetary gears, sun shafts, internal ring gears and swaging components. We currently supply approximately 61 distinct components to them with another 17 under development. Our engagement with Tractor and Farm Equipment Limited ("**TAFE**") began 20 years ago wherein we supplied rear axles, bull gears, and bull pinion shafts for TAFE's challenger model and rear axles for their IDB and Eagle models in the initial years of our relationships. Subsequently, we added speed gears and shafts to the product mix and were also awarded orders for bull gears, rear axles and other transmission components for overseas markets. In 2015, the installation of scudding machines enabled us to start supplying internal ring gears. By 2023, we were delivering rockshafts and transmission components for 8×8 and by 2025 for 12×4 gearboxes. In 2022, with the induction of gear grinding, we began shipping ground components to TAFE. We currently supply more than 150 distinct components to TAFE.

- In 2016, when Escorts decided to outsource its in-house bull gear production, we were amongst the preferred suppliers to support Escorts' production requirements. Consequently, with our available production capacities, we were able to offer Escorts our support for a majority share of their production requirement of bull gears. Similarly by 2018, leveraging our technical expertise, we were able to cater to a similar proportion of their bull pinion shafts and by 2019, we extended this support to internal ring gears as well — reinforcing our position as a key strategic supplier to Escorts. The relationship deepened further in 2018 with the entry of Kubota; we were nominated as the single-source supplier for bull gears, rear axles, speed gears and shafts across multiple Kubota platforms, including MU 45 and MU 55, earning 100% share of business for these critical components.

While we have many key customers who have been associated with us for a long time, we nevertheless have a diversified customer base and continue to add new customers. We have added an aggregate of 24 new customers from April 1, 2022 to March 31, 2025, including Valeo, Wabtec, Liebherr, Caterpillar and John Deere India Private Limited.

The table below sets forth below our revenue from customers, segregated on the basis of the years of relationship with such customers for the period/ years:

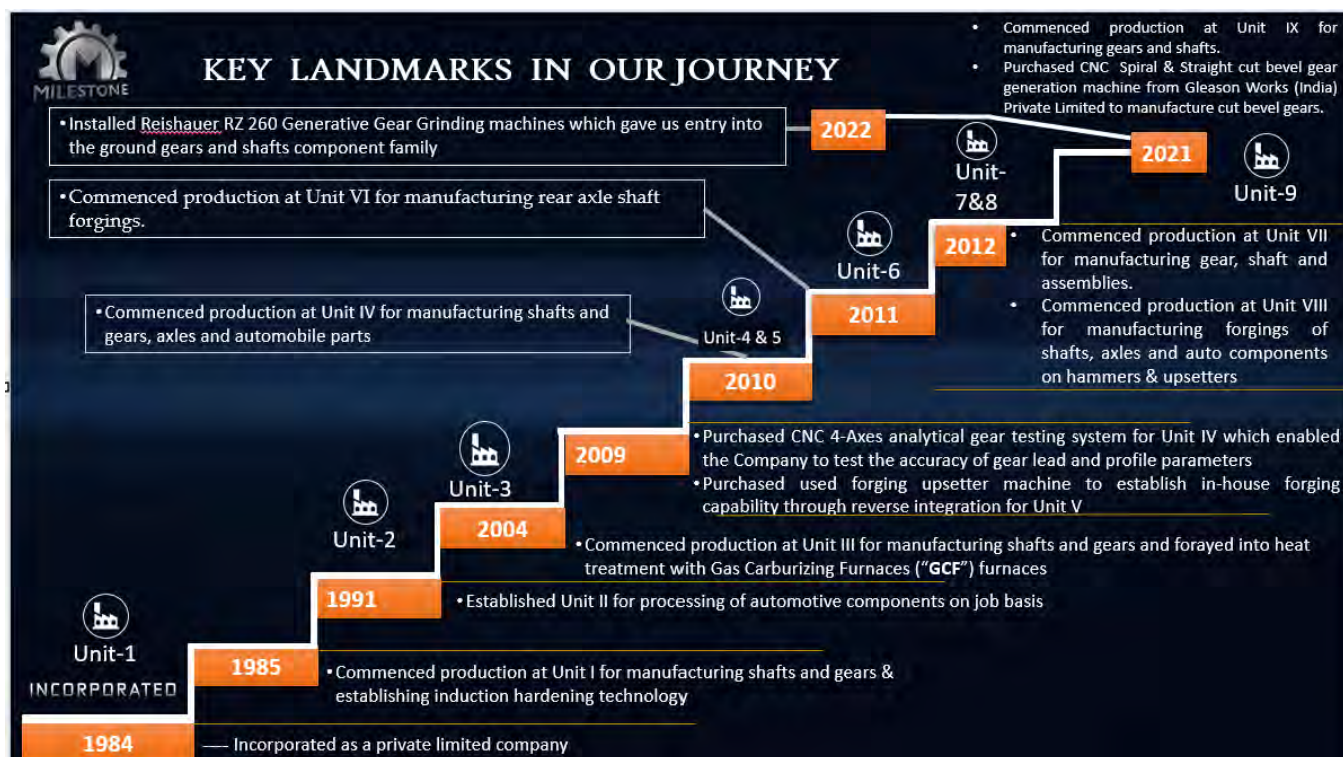
Periods of customer relationship	As of/ for the three months ended June 30, 2025			As of/ for the year ended March 31, 2025			As of/ for the year ended March 31, 2024			As of/ for the year ended March 31, 2023		
	Number of customers	Revenue from such customers	Percentage of revenue from sale of products	Number of customers	Revenue from such customers	Percentage of revenue from sale of products	Number of customers	Revenue from such customers	Percentage of revenue from sale of products	Number of customers	Revenue from such customers	Percentage of revenue from sale of products
More than 10 years	15	1,414.43	89.86%	16	4,508.59	92.97%	16	4,525.69	92.05%	15	5,059.27	89.90%
More than five years but less than 10 years	6	88.80	5.64%	6	204.02	4.21%	5	281.12	5.72%	6	545.74	9.70%
Five years and less	17	70.85	4.50%	28	136.39	2.82%	21	109.89	2.23%	20	22.28	0.40%
Total	38	1,574.08	100.00%	50	4,849.30	100.00%	42	4,916.70	100.00%	41	5,627.29	100.00%

Among the indicators of customer satisfaction and our commitment towards product excellence are the awards and accolades we have received from certain of our customers. For example, we received 'Best Cost Efficiency' award from Escorts Kubota Limited in 2025, 'Exports Excellence Award' from JCB in 2023, 'Top Kaizen Contributing Company' from Confederation of Indian Industry in 2021, and 'Best Supplier' award from Mahindra & Mahindra Limited in 2010, TAFE in 2012 and Tractor & Farm Equipment Limited in 2012. For further details on our recent awards and accolades, see "– History and Certain Corporate Matters – Awards, accreditations or recognitions" on page 279.

5. Strategically located manufacturing facilities with end-to-end in-house manufacturing operations

We have nine manufacturing facilities spread across Punjab, Haryana and Himachal Pradesh, covering an aggregate built-up area of over 398,000 square feet on a total area of more than 700,000 square feet. Our manufacturing facilities are strategically located near to the delivery locations of some of our customers, including Mahindra & Mahindra Limited – Swaraj Division, International Tractors Limited, Escorts Kubota Limited, JCB India Limited, Mahindra & Mahindra Limited and Cnh Industrial (India) Private Limited enabling us to meet their needs efficiently and cost-effectively. Our customer proximity reduces logistics times and costs while enhancing supply chain resilience and enabling quick and agile response towards customer needs. Our operations are power-intensive, and our strategic presence in Himachal Pradesh (with 7 out of our 9 plants in Himachal Pradesh), giving us access to stable, high-quality hydel power (*Source: ILattice Report*). This enables us to maintain a low-carbon operational footprint, reinforcing our ESG commitment and supporting sustainable growth.

Over the years, we have invested in expanding and upgrading our manufacturing facilities, which are equipped to undertake a variety of processes, enabling us to manufacture a wide range of products. The following chart shows our continuous ability to build capacity, upgrade our manufacturing facilities, infrastructure, machines, and equipment.



The following table sets forth details of our capital expenditure in the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capital expenditure (₹ million)*	82.89	755.94	467.55	646.55
Capital expenditure as a % of revenue from operations	4.93%	14.26%	8.77%	10.55%

*Capital expenditure is calculated as payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and adjustment for movement in capital advance).

As of June 30, 2025, the annual installed capacity (in terms of number of pieces) for bull gears was 6,60,000, rear axles was 505,200, rock shafts and other induction hardened shafts was 360,000, internal ring gears was 540,500, transmission gears and transmission shafts was 26,40,000, spindles was 72,000, bevel gears was 9,24,000 and ground gears and shafts was 9,57,600. Further, as of June 30, 2025, our captive forging capacity was 35,460 MT per annum. Our standard machines are flexible and fungible in nature, allowing us to interchange capacity and product mix between all our product categories. This optimises our machine productivity and operational efficiency and de-risks our business model from industry-specific market variabilities and cycles.

Our end-to-end capability of manufacturing products, from in-house forging to machining to heat treatment to post heat treatment machining and packaging, enables us to have quality control at all stages of manufacturing giving the agility to respond to dynamic customer requirements and delivery adherence. Salient features of our manufacturing operations are as follows:

- Our in-house forging capabilities are powered by 4 hammers with capacities ranging from 1 to 5 tons and 7 upsetters sized at 4", 6", and 7.5", allowing us to forge components with precision and efficiency. Our forging capabilities range from 0.5 to 50 kg, showcasing the versatility of our manufacturing processes.
- In the machining phase, we employ CNC-controlled machinery that includes turning centres and vertical machining centres, gear hobbing, shaving, broaching, shaping, internal ring gear scudding, spline generation, finish dia grinding, generative gear grinding and cut bevel generation machines. These processes ensure that high-quality and intricately designed components are manufactured to meet stringent customer specifications. We have over 375 CNC machines as of June 30, 2025, demonstrating our commitment to precision engineering.
- Our forging heat treatment operations are conducted using SCADA-controlled furnaces for normalizing, hardening and tempering, and iso-thermal annealing, demonstrating meticulous SOP adherence that ensures the specific metallurgical properties essential for reliable auto component manufacturing are consistently maintained.

- We also boast a suite of in-house heat treatment technologies like seal quench furnaces, gas carburizing, induction hardening, and press quench, which provide flexibility and control over the heat treatment process, ensuring components possess the required metallurgical properties for performance. Further, our heat-treatment processes are CQI-9 compliant, meeting high metallurgical standards as set in by key global OEMs.

Our engineering team focuses on product manufacturing methodology, enabling us to deliver solutions based on customers' needs. With more than 32 product development engineers from diverse backgrounds in engineering, science and technology, we ensure continuous innovation and process design excellence. Our teams engage with customers at early stages of product development to ensure manufacturability, performance and cost effectiveness from the outset. Below are some examples of our collaborative approach:

- We worked alongside Valeo to develop the E-motor shaft and link shaft for electric vehicles, beginning at the prototype stage and incorporating their engineering specifications throughout.
- We collaborated with Caterpillar to develop the precise case depth pattern for spindles leading to the design of induction-hardening coils to achieve the required design specifications.
- We received engineering support and guidance from Wabtec Corporation for machining sequences and intricate heat-treatment processes during the development of their components which shortened our learning curve significantly for timely development of components.

In our experience, this approach has helped us in strengthening our customers' faith on our technical acumen and ease of coordination in development operations.

We maintain strict quality control through various material-testing measures. We use metallurgical, mechanical, destructive as well as non-destructive inspection systems to verify every incoming and in-process material. We also use eddy-current testing, a non-destructive electromagnetic scan that detects cracks, material defects and hidden flaws in forged components while keeping parts intact. These tools and equipment enable us to contain the defects within customer-defined PPM targets, reinforcing our commitment to delivering defect-free components. We have consistently attained customer-set PPM defect targets. We have also implemented quality systems and standard operating processes to meet the requirements of our customers. Our manufacturing operations follow strict process control guidelines and international industry standards and practices. Our manufacturing facilities are certified under various applicable standards, including IATF 16949, ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, with each facility holding one or more of these certifications, as applicable, thereby reflecting our adherence to international quality, environmental, and occupational health and safety management systems

6. *Experienced technocrat promoters and a senior management team with a highly skilled workforce*

We benefit from the extensive experience of our management team in the precision components manufacturing industry. Their experience spans operations, business development, and customer relationships. In particular, our Chairman-cum-Executive Director, Ashok Kumar Tandon, holds a bachelor's degree in mechanical engineering from Birla Institute of Technology, Ranchi University and a master's degree in engineering administration from the University of Utah and has approximately 43 years of industry experience. He is responsible for providing guidance in formulating our long-term business strategies and policies and has been pivotal in steering our growth and development. Our Managing Director, Aman Tandon, has approximately 27 years of industry experience. He is responsible for overseeing the day-to-day operations of our Company and providing guidance on our strategy, business development and customer relationships.

In addition, we have an experienced Board of Directors, comprising Executive Director and Chief Executive Officer, Biresh Kumar Thakur, with approximately 30 years of experience in the auto components sector. He has previously been associated with GNA Duraparts Private Limited, Fairbanks Morse India Limited, Amtek India Limited, Birla Yamaha Limited, Kamla Dials and Devices Limited and Shiv Shakti Engineering Co. Private Limited. We also have oversight from the Independent Directors on our Board of Directors, which includes Yudhisthir Lal Madan with experience in banking, Neha with approximately 14 years of experience in the field of law, and Vivek Prakash with approximately 10 years of experience in the auto components sector. Further, our KMPs and Senior Management include Pankaj Budhiraja, Chief Financial Officer, Mohinder Singh, Company Secretary and Compliance Officer, Harnam Singh Thakur, Vice President – Sales, Marketing and Business Development, Mukesh Kumar Srivastava, President - HR & Administration, Khajan Singh Thakur, President Operations (Gear Division), Kumar Krishan Sharma, Plant Head – Unit V, and Naresh Kumar, Vice President - Purchase. Most members of our senior management have extensive experience in the industry, including in operations, business development, quality assurance, and customer relationships. We believe that the strength of our Board and management team and their experience have enabled us to take advantage of market opportunities and to better serve our customers.

Our Promoter's vision, strategic guidance, industry relationships and entrepreneurial ability, and our senior management's execution skills are supported by a large, motivated and skilled workforce. Our workforce is a critical asset, comprising 1,417 permanent employees, of which 1,061 are engineers and machinists, as of June 30, 2025. These professionals form the backbone

of our operations, driving innovation, ensuring quality, and maintaining the high standards that our customers have come to expect from us. Their collective skills and commitment are instrumental in the process design, development, and production of our precision components, which are crucial to our competitive edge in the industry.

OUR STRATEGIES

The strategies described below have been approved by way of a board resolution passed by our Board of Directors at their meeting held on November 18, 2025.

1. *Leveraging our technology and in-house precision engineering capability to grow our product portfolio and capitalize on business opportunities in high-growth, high-margin EV, locomotive and windmill sectors*

We have a track record of developing complex, critical precision-engineered components for both the agricultural and construction equipment sectors over four decades. We intend to build on this success and leverage our engineering and product development capabilities to manufacture components that have applications in other sectors, with a particular focus on high-growth, high-margin sectors such as EV, locomotives and windmills.

Electric Vehicle

In 2021, we commissioned our greenfield facility, Unit IX, dedicated to EV drivetrain components. We invested more than ₹ 700 million in advanced technologies that meet the stringent tolerances required by electric-vehicles. Over the past three years, we have acquired drivetrain-manufacturing expertise, positioning us to fulfil Indian OEMs' accelerating shift to domestic procurement of these critical assemblies (*Source: 1Lattice Report*). We are also well placed to capture the wave of global supply-chain diversification away from China that is redirecting a substantial share of EV component demand to India (*Source: 1Lattice Report*). Further, our Company proposes to utilise a portion of our Net Proceeds for financing the capital expenditure requirements in relation to a facility for manufacturing, inter-alia, EV components requiring high-speed precision gears. As part of this, we intend to procure component inspection equipment such as NVH testers (Noise, Vibration & Harshness) to meet customer requirements for high-speed gear NVH measurement for EV components. For further details, see "*Objects of the Offer – Proposed Greenfield Project*" on page 123. Also, see "*- Expand capacity at our existing manufacturing facilities and set up a new manufacturing facility*" on page 247.

We manufacture critical components, including internal ring gears, planet gears, sun shafts, bevel gears, ground gears and shafts, and e-motor and link shafts. As of June 30, 2025, we have served two customers operating in the EV sector, including United Gears & Assembly, Inc. and Valeo. As per the 1Lattice Report, the government of India is accelerating EV adoption through demand incentives, PLI-based manufacturing subsidies, concessional GST, state-level tax & registration benefits, and rapid expansion of charging infrastructure, creating a highly favourable environment for sustained market growth. (*Source: 1Lattice Report*) The Indian EV passenger vehicle component market grew from approximately ₹ 21.8 billion in Fiscal 2019 to approximately ₹ 59.8 billion in Fiscal 2025, recording a strong CAGR of approximately 18.3% during the period. Growth was driven by rising EV adoption and growing importance of efficient drivetrains. It is projected to reach approximately ₹ 122.6 billion by Fiscal 2030, expanding at a CAGR of approximately 15.5% over Fiscal 2025 and 2030. Of the overall market, transmission components contributed the largest share of approximately 55% in Fiscal 2025, followed by axles (approximately 30%) and gears (approximately 15%). This trend is expected to continue in FY30 with transmissions at approximately 53.9%, axles at approximately 30.1% and gears at approximately 16%, reflecting the sustained focus on drivetrain efficiency as a key enabler for EV performance and consumer preference for green mobility.

Locomotive

According to the 1Lattice Report, the global railway market grew from approximately USD 225.9 billion in 2019 to approximately USD 316.9 billion in 2024, recording a CAGR of approximately 7%. Growth during this period was supported by factors such as rising urbanisation, expansion of high-speed rail networks and increased government investments in sustainable transport. The market is projected to reach approximately USD 405.3 billion by 2029, at a CAGR of approximately 5% over 2024 to 2029. This sustained momentum underscores the railway sector's critical role in passenger and freight mobility, backed by continuous investment in capacity, connectivity, and technological upgrades worldwide. Further, the Indian railway market expanded from approximately ₹ 1,637.0 billion in Fiscal 2019 to approximately ₹ 2,762.7 billion in Fiscal 2025, fuelled by a sharp rise in budgetary allocations, completion of priority electrification projects and steady growth in passenger and freight volumes. Looking ahead, the market is projected to reach approximately ₹ 3,646.8 billion by Fiscal 2030, registering a CAGR of approximately 5.7% during Fiscal 2025 to Fiscal 2030, supported by high-speed rail corridors, dedicated freight corridors, and sustained capex in digitalisation & safety upgrades.

We manufacture bull gears and other transmission gears and transmission shafts for the locomotive sector. As of June 30, 2025, we have served one customer, namely Wabtec Transportation Systems, LLC operating in the locomotive sector and in Fiscal 2025, we received an order from Progress Rail Services Corporation, a Caterpillar subsidiary (the second largest locomotive components company in the USA), to supply locomotive components. (*Source: 1Lattice Report*).

According to the 1Lattice Report, the Indian windmill component market rose from approximately ₹ 152.0 billion in Fiscal 2019 to approximately ₹ 397.5 billion in Fiscal 2025, with a CAGR of approximately 17.0%. Market growth was driven by rising deployment of wind projects under central and state renewable energy auctions, growing localisation of critical components such as blades, gearboxes and generators, and policy incentives under schemes like “Make in India” that encouraged domestic production. Supportive financing mechanisms, coupled with increasing participation of global OEMs setting up local facilities, further reinforced market expansion. It is projected to rise to approximately ₹ 512.1 billion in Fiscal 2030, registering a CAGR of approximately 5.2% over Fiscal 2025 to 2030, supported by rising domestic manufacturing capacity, localisation efforts and steady demand from ongoing & upcoming wind power projects.

We manufacture internal ring gears and ground gears and shafts for windmill sector. As of June 30, 2025, we have served Liebherr, which operates in the windmill sector.

With a focus on sectors such as EV, locomotive and windmill, we plan to increase our customer base and solidify our position as a manufacturer of precision components. We intend to grow revenue from these sectors by adding new products, deepening wallet share with existing customers, targeting new customers in our current geographies, converting existing non-EV relationships into EV business with those same customers, and leveraging Make-in-India incentives and other government subsidies available for the segments we serve.

2. Increase our exports and presence in international markets

We intend to capitalize on the growing international demand for critical, precision engineered components to increase our exports, particularly in the United States, Europe and Japan. Between April 1, 2022 and June 30, 2024, we have served customers across ten countries, including the United States of America, the United Kingdom, Turkey, Germany, Belgium, Italy, Brazil, China, Hungary and Malaysia. We supply our products to John Deere India Private Limited, Cnh Industrial (India) Private Limited, AGCO & Kubota, whose combined share represents approximately 54.4% of the global agri equipment market in value terms. (Source: 1Lattice Report) The table below sets forth our revenues from outside India, expressed as a percentage of our revenue from sale of products, for the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from sale of products outside India (₹ million)	172.22	457.19	602.45	847.27
Number of customers served outside India	11	20	13	12
Revenue from sale of products outside India as a % of revenue from sale of products	10.94%	9.43%	12.25%	15.06%

India is poised to become a global manufacturing hub, driven by the China-plus-one strategy, the Ukraine-Russia crisis, high production costs in Europe, and India’s position as the lowest-cost producer after China. European OEMs present significant growth opportunities as they accelerate their shift from internal-combustion to electric powertrains, creating demand for cost-competitive precision transmission and driveline components that Indian suppliers are well positioned to meet. India’s robust manufacturing ecosystem, ready availability of skilled labour and key raw materials, and strong government incentive schemes under ‘Make in India’ further reinforce its emergence as a global manufacturing hub. (Source: 1Lattice Report) We intend to specifically focus on the growing demand in the EV and agricultural and construction equipment sectors outside India to increase our exports. We are also pursuing Transportation and Power Generation (“TPG”) certification, which is a mandatory pre-requisite for any supplier intending to supply safety-critical components to locomotive OEMs in the United States. (Source: 1Lattice Report)

Our strategy to increase exports will enable us to diversify our revenue base. Furthermore, expanding our geographical footprint will help us mitigate the risks associated with economic fluctuations in any one region. We also believe that there exist significant opportunities to cross-sell our products and offer the same products to additional locations of our existing customers, leveraging our long-standing relationships with them and existing manufacturing capabilities.

We also intend to pursue inorganic growth opportunities through strategic joint ventures and acquisitions that expand our opportunities in international markets. We believe our industry experience and insights should enable us to identify suitable target companies for acquisition and effectively evaluate and execute potential opportunities. As of the date of this Draft Red Herring Prospectus, we have not identified any specific acquisition targets or entered into any binding agreements in relation to any potential acquisition.

3. Sustaining and strengthening our market share in the agricultural and construction equipment sectors

Over the years, we have expanded our product offerings, customer base and achieved market leadership across various products in the agricultural and construction equipment sectors. We intend to sustain and strengthen our market share in the tractors and construction equipment sectors by adding new products in the existing product lines, increasing wallet-share with existing customers and onboarding new customers. By doing so, we aim to position ourselves as a provider of quality products and solutions, and to continue delivering value to our customers across these growing sectors. We endeavour to deliver quality products and services to our existing customers to establish ourselves as a trusted supplier and increase our wallet share by selling across multiple products.

Tractors

As per the 1Lattice Report, the Indian agricultural equipment market grew from approximately ₹ 795.8 billion in Fiscal 2019 to approximately ₹ 1,272.1 billion in Fiscal 2025, registering a CAGR of approximately 8.1%. The Indian tractor market remained as the world's largest tractor market by volume, with approximately 0.9 million units in Fiscal 2019 to approximately 1.0 million units in Fiscal 2025, reflecting a CAGR of 2.9%. Market growth is primarily driven by government subsidies on tractor purchases, further supported by high seasonal demand, rising exports and the prevalence of small to mid-sized farm holdings, and an accelerating transition toward stricter emission norms that will lift replacement demand. The market is further projected to reach approximately 1.5 million units in Fiscal 2030, growing at a CAGR of 8.2% between Fiscals 2025 and 2030. (Source: 1Lattice Report)

Construction equipment

The Indian construction equipment market grew from approximately ₹ 429.5 billion in Fiscal 2019 to approximately ₹ 898.9 billion in Fiscal 2025, reflecting a CAGR of approximately 13.1% during the period. Growth was supported by sustained government infrastructure spending and recovery in real estate activity, which lifted equipment demand. Further, the market is projected to reach approximately ₹ 1,732.5 billion by Fiscal 2030, expanding at a CAGR of approximately 14.0% from Fiscal 2025 to 2030, driven by increased adoption of advanced & technology-enabled machinery, rising preference for premium models, higher selling prices & access to financing options that support uptake of higher-value equipment. (Source: 1Lattice Report)

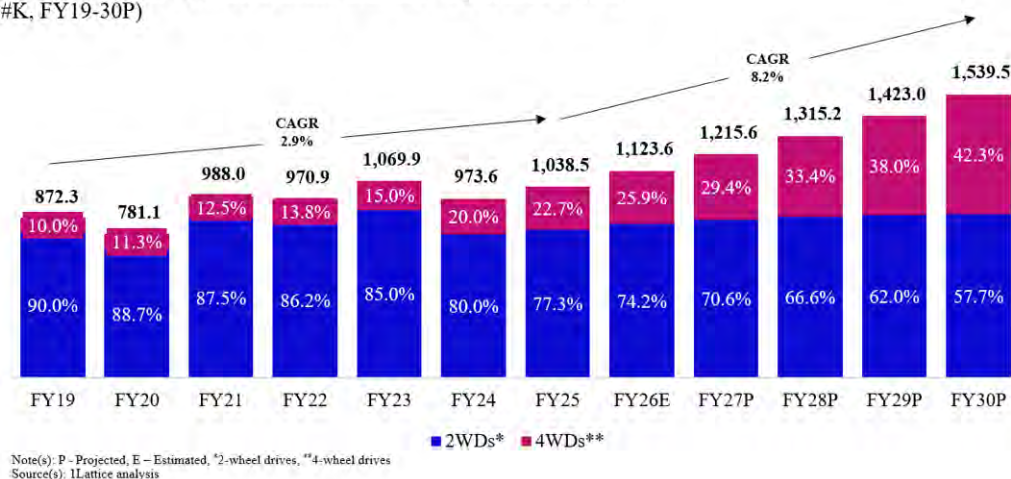
We are currently producing child parts for the 4 wheel drive transmission for tractors and their assembly is done by OEMs themselves. With demand for 4 wheel drive tractors growing in future, OEMs are exploring options to offload the assembling. (Source: 1Lattice Report) We intend to make the complete assembly in-house and supply as an assembled unit to OEMs. This may also provide us an opportunity to do proprietary development on features and capability of this driveline and offer it as a "Milestone" product.

Four Wheel Drive Assembly



According to the 1Lattice Report, Indian tractor market is segmented into 2 wheel-drive and 4 wheel-drive, of which 2 wheel-drive segment contributed the majority share of approximately 77.3% in Fiscal 2025. Below is the segmentation of Indian tractor market by wheel drives:

Segmentation of Indian tractor market - By wheel drives
(#K, FY19-30P)



(Source: 1Lattice Report)

4. Expand capacity at our existing manufacturing facilities and set up a new manufacturing facility

We have nine manufacturing facilities spread across Punjab, Haryana and Himachal Pradesh, covering an aggregate built-up area of over 398,000 square feet on a total area of more than 700,000 square feet. Over the years, we have strategically expanded and enhanced our manufacturing capabilities, and continue to do so to meet market demands. For further information, see “- Our Strengths - Strategically located manufacturing facilities with end-to-end in-house manufacturing operations” on page 241.

For example, we propose to utilise a portion of our Net Proceeds for financing the capital expenditure requirements in relation to setting up of new manufacturing facility in proximity to our existing manufacturing units in Himachal Pradesh for manufacturing (i) electric vehicle (“EV”) components requiring high-speed precision gears, and (ii) heavy components for locomotives, windmills, and other heavy industries. The land on which the proposed facility is to be set up is located at Mohal Bated, H.8. No. 200, Tehsil Baddi, District Solan, Himachal Pradesh. The land was acquired by our Company pursuant to a registered conveyance deed dated September 24, 2025, for a total consideration of ₹82.65 million. The total estimated cost for the facility is ₹3,047.88 million, out of which up to ₹2,964.21 million will be funded from the Net Proceeds, as certified by Deepankar Sharma, Chartered Engineer. For further details, see “Objects of the Offer – Proposed Greenfield Project” on page 123.

5. Continue to reduce operational costs and improve operational efficiencies through the introduction of new technology

We have in the past, and continue to, undertake initiatives to reduce our operating costs and enhance our operational efficiencies. For example, in the past we undertook certain initiatives such as replacing oil-fired furnaces with induction bar-end heaters helped us to reduce fuel cost and heating time, equipping compressors with variable-frequency drives and fitting thyristors to heating and tempering furnaces helped us reduce power consumption and sealing and monitoring compressed-air leaks enables us to lower compress power on time. To further optimise our operating costs and improve our operational efficiencies, we have taken initiatives for reducing tool consumption, shifting to low-cost sustainable packaging and are exploring installation of rooftop solar power across all our manufacturing facilities, for which we have engaged power consultants.. We also intend to expand our use of automation in our manufacturing processes to improve precision, reduce errors and labour costs, and improve productivity. We are committed to continuously refining our manufacturing processes through technology that enables us to supply products matching customer drawing specifications with tighter precision, higher strength and longer life.

OUR BUSINESS OPERATIONS

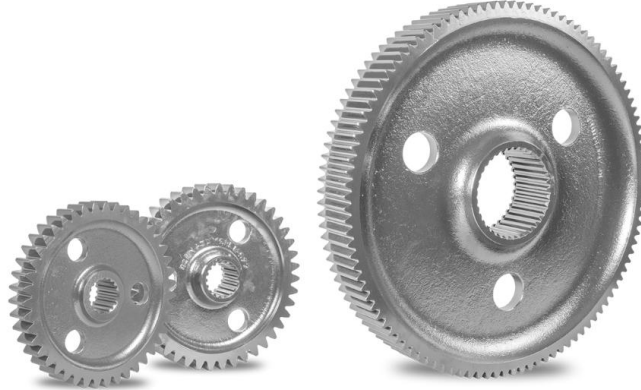
Our offerings

We manufacture and supply a range of high-precision, complex engineered transmission components which have applications across various sectors, including tractors, construction equipment, EVs, locomotives, windmills and other heavy industries. Our offerings include bull gears, transmission gears and transmission shafts, rear axles, spindles, internal ring gears, rock shafts and induction hardened shafts, cut bevel gears, and ground gears and shafts. For details with respect to the products that we manufacture for various sectors, see “- Our Strengths – High-precision, complex engineered transmission components manufacturer with a strong product portfolio and market leadership across various products” on page 236.

Details of some of our products that we manufacture are as follows:

Bull Gears

A bull gear is a large, high-torque gear often the largest in a gear assembly, positioned at the final stage of power transmission on the rear axle. Engineered for strength and durability, bull gears play a critical role in reducing rotational speed while significantly increasing torque. They are designed to withstand substantial mechanical stress and heavy loads, making them essential in demanding agricultural applications. It plays a central role in transmitting mechanical power within heavy machinery and industrial equipment. It is typically mounted on a rear axle shaft and meshes with smaller geared shafts (often called bull pinion shafts) to transfer torque and rotational motion. Bull gears are typically utilized in applications such as gearboxes, where effective management of peak torque is required.



We manufacture bull gears based on the design specifications of our customers. We inspect our bull gears with machinery to ensure the gear's structural integrity and performance in heavy-duty applications. It typically involves dimensional checks using precision instruments to measure tooth profile, pitch, and runout, ensuring the gear meets design specifications. Advanced gear analyzers and coordinate measuring machines (“CMM”) are used for detailed analysis. Testing methods like Magnetic Particle Testing (“MPT”) are employed to detect surface cracks or flaws without damaging the gear. Composite testing, where the bull gear is rolled against a master gear, helps identify irregularities in tooth engagement.

We leverage our manufacturing capabilities and technology to deliver case carburized and induction hardened bull gears with a weight range of 3.69 kilogram to more than 200.00 kilogram for tractors and locomotive sectors.

Transmission Gears and Transmission Shafts

Transmission gears and transmission shafts are a system of toothed wheels and shafts that transmit rotational motion and power from the engine to the wheels in a vehicle. They are crucial for converting engine output into usable torque and speed for different driving conditions. The gears work by meshing their teeth together, transferring rotational motion and force from one shaft to another.

Transmission Gears

Transmission gears are used to transfer power and regulate direction, speed and torque between rotating shafts in vehicles and machinery. These gears are categorized into types such as spur, helical, and planetary, each selected based on specific performance requirements.



To ensure their reliability, transmission gears are subjected to various inspection procedures. Dimensional accuracy is verified using CMM and gear analyzers, while material properties are assessed through spectrometers and hardness testers. Surface and internal defects are detected using testing methods like MPT and Ultrasonic Testing (“UT”). Through these rigorous inspections, compliance with quality standards is ensured and operational reliability is maintained. We manufacture transmission gears with a weight range of 0.2 kilogram to 12.00 kilogram across sectors, including tractors, construction equipment, EVs, locomotives, windmills and other heavy industries.

Transmission Shafts

Transmission shafts are used to transfer mechanical power and torque between components in vehicles and industrial machinery. These shafts are typically subjected to high rotational forces and must be manufactured with precision.



To ensure their reliability, transmission shafts are inspected through various methods. Dimensional accuracy is verified using CMM, while material integrity is assessed through hardness testing and spectroscopic analysis. Testing techniques such as MPT and UT are employed to detect surface and internal flaws. We manufacture transmission shafts with a weight range of 0.4 kilogram to 25.00 kilogram across sectors, including tractors, construction equipment, EVs, locomotives, windmills and other heavy industries.

Rear Axles

The rear axle is a key drivetrain component that transmits power from the engine through the transmission and differential to the rear wheels, propelling the vehicle forward or backward. Beyond power delivery, the rear axle plays a vital structural role by bearing the load of the tractor. The rear axles are engineered to endure high torque and support demanding load conditions.



To ensure their performance and durability, rear axles are subjected to various inspection procedures. Dimensional accuracy is verified using CMM, while material strength and hardness are assessed through spectroscopic analysis and destructive/non-destructive hardness testing. We typically manufacture rear axles with a maximum flange diameter of 280 mm and a maximum length of 1,270 mm to 1,500 mm to meet specific operational requirements. Testing methods such as MPT and UT are employed to detect surface and internal defects. We manufacture rear axles with a weight range of 6.00 to 28.30 kilograms for tractors.

Spindles

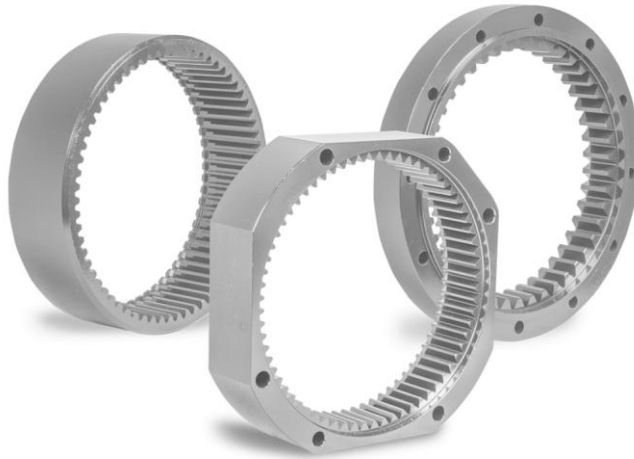
Spindles are mechanical components mounted on front axle beam of a tractor at one end and support front tyres on the other end. They are designed to support the vehicle's weight and enable steering ability.



To ensure their conformance to design specifications, spindles are subjected to various inspection procedures. Dimensional accuracy is verified using various gauges and measuring instruments, while material strength and hardness are assessed through spectroscopic analysis and destructive/non-destructive hardness testing. We typically manufacture spindles with a maximum flange diameter of 120 to 180 mm and a maximum length of 150 mm to 200 mm. Testing methods such as MPT and UT are employed to detect surface and internal defects. We manufacture Spindles with a weight range of 1.50 kilogram to 4.00 kilogram for tractors.

Internal Ring Gears

Internal ring gears are cylindrical gears with teeth cut on the inner circumference of the gear body. Designed to mesh with planetary gears, internal ring gears offer compact design, high torque transmission, and efficient speed reduction within a confined space. Their configuration enables smooth and precise motion control, making them ideal for auto transmissions and industrial gearboxes.



To ensure their precision, internal ring gears are subjected to various inspection procedures. Dimensional accuracy is verified using CMM and gear analyzers. Material properties are assessed through destructive/non-destructive hardness testing and spectroscopic analysis. Testing methods such as MPT and UT are employed to detect surface and internal flaws. We manufacture internal ring gears with a weight range of 2.50 to 67.00 kilograms for tractors, construction equipment, EVs, windmills and other heavy industries except locomotives.

Rock Shafts and Induction Hardened Shafts

These are precision-engineered cylindrical components that undergo a specialized surface heat treatment to significantly enhance wear resistance and surface hardness, while retaining a tough, ductile core. The process involves rapidly heating the shaft's surface using high and medium frequency induction coils, followed by immediate quenching. This forms a hardened outer layer capable of withstanding abrasion and impact, without compromising the internal strength and flexibility of the shaft. This combination of surface durability and core toughness makes induction hardened shafts ideal for high-load and high-wear applications. Rockshafts are high load carrying shafts typical shafts used in tractors for hydraulic application and three point linkage systems for agricultural implements and load carrying trolleys.

Rock Shafts

Rock shafts are mechanical components used to transmit rotary motion. They are commonly used in tractors for lifts and rear end implements. We typically manufacture rock shafts with a maximum length of 240 mm to 620 mm, with capabilities being enhanced to support lengths up to 1,500 mm.



To ensure functionality and long-term durability, rock shafts are subjected to comprehensive inspection procedures. Their dimensional accuracy is verified using precision tools such as CMM. Material strength and composition are assessed through destructive/non-destructive hardness testing and spectroscopic analysis. Surface and subsurface defects are identified using testing techniques, including MPT and UT. We manufacture rock shafts with a weight range of 1.20 kilograms to 12.50 kilograms for tractors.

Induction Hardened Shafts

Induction hardened shafts are steel shafts that have undergone a heat treatment process in which the surface is rapidly heated

using electromagnetic induction and then quenched to increase hardness and wear resistance. These shafts are commonly used in automotive, and industrial applications where high surface strength and fatigue resistance are required.



To ensure their quality and performance, induction hardened shafts are subjected to detailed inspection procedures. Dimensional accuracy is verified using CMM, while surface hardness is assessed through hardness testing methods such as Rockwell or Vickers. The depth and uniformity of the hardened layer are evaluated using microstructural analysis and destructive hardness profiling. Testing techniques, including MPT and UT, are employed to detect surface cracks and internal flaws. We manufacture induction hardened shafts with a weight range of 0.40 kilograms to 25.00 kilograms across sectors, including tractors, construction equipment, EVs, locomotives, windmills and other heavy industries.

Cut Bevel Gears

Cut bevel gears are mechanical components designed to transmit motion and power between intersecting shafts, typically arranged at a 90-degree angle. Characterized by their conical geometry and angled teeth, cut bevel gears enable smooth and efficient transfer of rotational force between shafts positioned at various angles. They are commonly used in differentials, industrial machinery, and gearboxes, where directional changes in drive are required with high reliability and torque transmission.



To ensure their precision and reliability, cut bevel gears are subjected to detailed inspection procedures. Dimensional accuracy is verified using gear measuring machines and CMM. Tooth geometry, pitch, and alignment are assessed to confirm compliance with design specifications. Material properties are evaluated through hardness testing and spectroscopic analysis. Surface and internal defects are detected using testing methods such as MPT and UT. We manufacture cut bevel gears with a weight range of 70 grams to 8.00 kilograms for EVs and tractors.

Ground Gears and Shafts

Ground gears and shafts are precision-engineered components that have undergone a grinding process to achieve high tooth dimensional accuracy, smooth surface finish, and tight tolerances. These components are used in automotive transmissions, industrial gearboxes, and machinery where quiet operation, efficient power transmission, and minimal wear are required.



Gears and shafts are precision-ground to achieve tooth profile accuracy required for noise reduction and enhanced operational performance. Material properties are evaluated using hardness testing and spectroscopic analysis. Testing methods such as MPT and UT are employed to detect surface and internal defects. We manufacture ground gears and shafts with a weight range of 2.00 kilogram to over 100.00 kilogram for tractors, construction equipment and EVs.

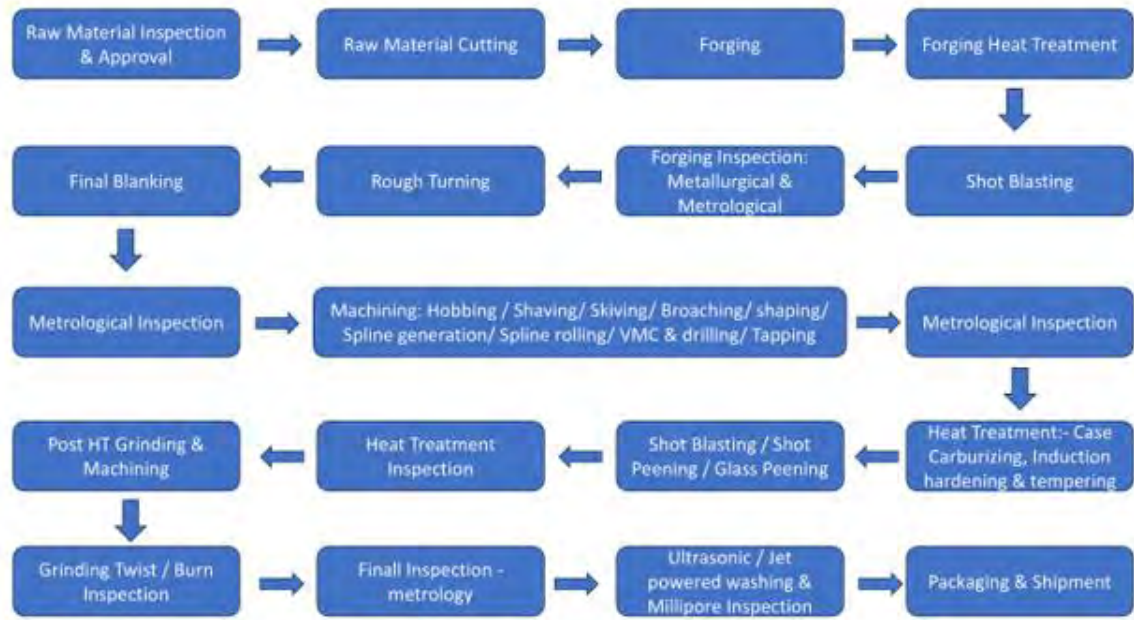
Manufacturing Facilities

As of the date of this Draft Red Herring Prospectus, we have nine manufacturing facilities across Punjab, Haryana and Himachal Pradesh. The table below sets forth details of our manufacturing facilities:

Manufacturing Facility	Location	Products manufactured	Year of Commencement of Operations	Total Built-up Area (sq. feet)
Unit I	58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India	Induction hardened shafts	1985	5,253.22
Unit II	KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India	Machining of induction hardened shafts	1991	19,052.12
Unit III	Plot No. 8, Industrial Area Barotiwala, Distt. Solan, Himachal Pradesh, India	Heat treatment	2004	23,788.24
Unit IV	Mouja Barotiwala, Hadbast No. 196, Pargana Doon, Tehsil Baddi, District Solan, Himachal Pradesh, India	Bull gears, internal ring gears, transmission gears and transmission shafts, rear axles and induction hardened shafts	2010	89,920.00
Unit V	Plot No. 20B, 22-24, Sector-1, Parwanoo	Rear axles, spindles and rock shafts and induction hardened shafts	2010	32,000.00
Unit VI	Village Rajgarh Hadbast No. 243, Tehsil Paeel, District Ludhiana, Punjab, India	Forging of rear axles and transmission shafts	2012	52,622.05
Unit VII	Village Barotiwala, Pargana Doon, Tehsil Kasuali, District Solan, Himachal Pradesh, India	Heat treatment	2012	14,270.00
Unit VIII	Village Jharmajri P.O., Barotiwala, District Solan, Himachal Pradesh, India	Forging of rear axles, transmission gears and transmission shafts; blank turning of rear axles, transmission gears and transmission shafts	2011 to 2012	414,356.00
Unit IX	K/K no. 312/314, Khasra No. 955/908/34 (2-17), Khasra No. 959/910/35 (3-03) and Khasra No. 965/910/37 (00-08), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India K/K no. 312/314, Khasra No. 910/35/2/2/2/1 (1-11), Khasra No. 910/35/2/2/2/2 (1-12) and	Internal ring gears, cut bevel gears and ground gears and shafts	2021	51,849.00

Manufacturing Facility	Location	Products manufactured	Year of Commencement of Operations	Total Built-up Area (sq. feet)
	965/912/37 (0-80), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India			

The chart below sets forth the step-by-step manufacturing process involved in the manufacturing of engineered transmission components:



Below indicates our step-by-step manufacturing process involved in the manufacturing of engineered transmission components:

Raw material processing

Band saw cutting

Raw material bars (rolled carbon steel/round bars) are cut to specified lengths based on subsequent operations such as forging or upsetting, with allowances made for required machining or processing margins.



Hammer forging

Hammer forging is a metal forming technique in which heated metal is shaped through repeated high-impact blows delivered by a hammer. The force of these blows deforms the workpiece against an anvil or die, gradually achieving the desired geometry. This process enhances the material's strength, durability, and grain structure, making it a preferred method in automotive, aerospace, and industrial manufacturing applications.



Upsetter Forging

Upsetter forging is a metal forming process in which a heated bar or billet is compressed axially to increase its cross-sectional area while reducing its length. The workpiece is securely held by gripping dies, and axial force is applied using an upsetting machine (upsetter), causing the material to flow outward into the die cavities to form the desired shape. This method is commonly used to manufacture components such as rear axles and shafts, offering high strength, dimensional accuracy, and efficient material utilization.



Forging Heat Treatment

The forging heat treatment process involves the controlled heating and cooling of forged components to enhance mechanical properties, refine grain structure, and relieve internal stresses induced during forging. Key steps typically include annealing to soften the metal and improve machinability, normalizing to achieve uniform grain size and increased toughness, quenching to enhance hardness and strength, and tempering to balance hardness with ductility. These treatments ensure that forged parts meet the required standards of strength, durability, and performance for critical applications.



Blank Turning

Blank turning is a machining process in which a cylindrical raw workpiece is mounted on a Computer Numerical Control (“CNC”) turning center and rotated while a cutting tool removes excess material to achieve the required outer profile and

dimensions. Typically performed as a preparatory operation, blank turning ensures accurate sizing, roundness, and surface finish, setting the foundation for subsequent machining processes. It is widely used in the production of components such as shafts, gears, and rings, where precision and surface quality are critical.



Machining

Scudding

Scudding is a high-speed, continuous gear cutting process used primarily for producing internal ring gears. It utilizes a tool similar to a helical shaper cutter, but operates with a continuous cutting motion, enabling the efficient generation of gears with high dimensional accuracy and low surface roughness. Unlike traditional methods, scudding does not require undercuts or grooves, allowing for flexible programming of gear ends with radii. The process is known for its rapid cycle times due to the high number of cuts per time unit, making it highly productive and suitable for high-volume manufacturing of precision gears.



Broaching

Broaching is a machining process that uses a toothed tool called a broach to remove material and create precise shapes, holes, or profiles in a single pass. The broach, featuring progressively larger cutting teeth, is either pushed or pulled through the workpiece, gradually cutting to the desired size and geometry. This method is highly efficient for producing keyways, splines, slots, and other complex internal or external profiles, offering excellent dimensional accuracy and surface finish.



Shaping

Shaping is a machining process in which a single-point cutting tool moves linearly across a workpiece to remove material and produce flat, contoured, or irregular surfaces. The tool operates in a reciprocating motion, cutting during the forward stroke and returning without cutting, while the workpiece is incrementally fed to achieve the desired dimensions. This process is commonly used to create keyways, slots, grooves, and flat surfaces, offering simplicity, precision, and versatility in manufacturing small to medium-sized components.



Hobbing

Hobbing is a machining process used to manufacture gears and splines by progressively cutting the workpiece with a specialized tool known as a hob. During the process, both the hob and the workpiece rotate in a synchronized manner, allowing the hob's cutting edges to gradually generate the desired gear tooth profile. Hobbing is highly efficient for producing spur, helical, and worm gears, offering excellent dimensional accuracy and surface finish, making it ideal for high-volume gear production.



Shaving

Shaving is a gear finishing process used to enhance surface quality and dimensional accuracy. A specialized shaving cutter with multiple cutting edges is passed over the gear teeth under light pressure, removing a small amount of material to correct minor deviations and smooth the surface. This process improves gear tooth geometry, reduces operational noise, and increases overall

efficiency and service life, making it a critical step in precision gear manufacturing.



Grinding

Grinding is a precision machining process in which an abrasive wheel removes small amounts of material from a workpiece to achieve the desired shape, size, and surface finish. It can be applied to flat, cylindrical, or complex surfaces and is especially effective for hard materials that are difficult to machine using conventional methods.

Grinding enhances dimensional accuracy, surface smoothness, and geometric tolerances, making it essential for manufacturing high-precision components.



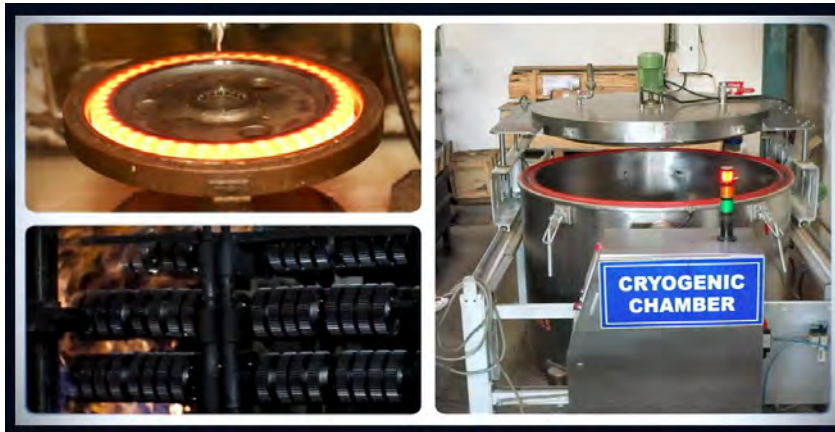
Heat Treatment

Induction hardening

Induction hardening is a surface hardening technique in which a metal component is rapidly heated using electromagnetic induction and then quenched to form a hard, wear-resistant outer layer while preserving a tough, ductile core. This process is commonly applied to components such as shafts, gears, and other parts subject to high wear, enhancing their durability and performance.

Case carburising

Case carburizing is a heat treatment process in which a low-carbon steel component is heated in a carbon-rich environment, allowing carbon atoms to diffuse into the surface layer. Following quenching, this results in a hard, wear-resistant outer case while maintaining a tough, impact-resistant core. This combination of surface hardness and core toughness makes case carburizing ideal for components such as gears and shafts that require high durability and fatigue resistance.



Generative Gear Grinding

Generative gear grinding is a precision finishing process used to produce high-accuracy gears by synchronously rotating the grinding wheel and the gear blank in a continuous, coordinated motion. This method gradually removes small amounts of material from the gear teeth, enhancing dimensional accuracy, surface finish, and tooth profile. The process relies on the relative motion between the grinding wheel and the gear to generate the correct geometry, making it ideal for achieving consistent and high-quality gear profiles.



Final Inspection

Different components require specific inspection procedures based on their geometry and specification requirements. For example, transmission shafts demand high dimensional accuracy, which is verified using non-contact vision/ optical measurement systems, air gauges, spline gauges, CNC gear analyzers, and grinding burn tests, among other methods. Similarly, gears undergo automated gear testing to evaluate various parameters, with CNC gear analyzers used to assess lead and profile accuracy. After heat treatment, Magnetic Particle Inspection (“MPI”) is performed to detect microcracks, while UT is used to evaluate the internal integrity of materials in shafts, axles, gears, and similar components.



Installed Capacity, Actual Production and Capacity Utilisation

The information relating to the installed capacity, actual production and capacity utilisation of our products included below and elsewhere in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account in the calculation of our capacity and the same has been certified by Deepankar Sharma, independent chartered engineer by certificate dated November 18, 2025. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing manufacturing facilities included in this Draft Red Herring Prospectus. See *“Risk Factors - Information relating to our annual installed capacity, annual available capacity and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.”* on page 71.

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The tables below set forth certain information relating to the installed capacity, available capacity, actual production and capacity utilisation for the period/years indicated:

Category	Three months ended June 30, 2025			
	Installed Capacity ⁽¹⁾ in Nos.	Available Capacity ⁽²⁾ in Nos.	Actual Production ⁽³⁾ in Nos.	Capacity Utilization ⁽⁴⁾ in %
Bull Gears	660,000	165,000	149,835	90.81%
Internal Ring Gears	540,000	135,000	108,145	80.11%
Transmission Gears & Transmission shafts	2,640,000	650,000	497,273	76.50%
Rear Axles	505,200	150,000	139,246	92.83%
Spindles	72,000	23,350	22,175	94.97%
Rock shafts & Induction hardened shafts	360,000	90,000	84,216	93.57%
Bevel Gears ⁽⁷⁾	924,000	Nil	Nil	NA
Ground gears & Shafts	957,600	10,000	7,102	71.02%

*As certified by Deepankar Sharma, independent chartered engineer, by certificate dated November 18, 2025.

⁽¹⁾ Installed capacity represents the installed capacity as of the last date of the relevant period. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the industry in which we operate and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include (i) 300 working days in a year, at 3 shifts per day operating for 8 hours a day, proportionate for stub period (ii) product mix and SKU variation affect overall output, as cycle times differ across SKUs; for instance, a higher share of small planetary gears increases output compared to months with a larger proportion of bull gears. The installed capacities and their increased quantum have been assessed based on the SKU mix of Fiscal 2022-23.

⁽²⁾ The available capacity has been calculated based on the average of monthly available capacity for the relevant period. The calculation of available capacity for each period is based on the actual SKU mix along with the following considerations: (i) machining time depends on the size of the component. Larger gears require longer cycles, more tool changes, and higher material removal, resulting in lower output, whereas smaller components can be processed more quickly. For instance, gear grinding may take about 50 seconds for a small planetary gear but up to 3,600 seconds for a bull gear. (ii) product design complexity impacts machining time, with intricate profiles requiring longer cycles (e.g., approximately 600 seconds for a complex spindle vs. ~240 seconds for a simpler one of similar size) (iii) development activity reduces available capacity, as new products require repeated trials, inspections, and process iterations before full-scale production can commence. (iv) production batch size influences machining output, as frequent SKU changes increase setup time and downtime, while larger batches improve efficiency through economies of scale.

⁽³⁾ Actual production represents quantum of production in the relevant period.

⁽⁴⁾ Capacity utilization has been calculated on the basis of actual production in the relevant period divided by the available capacity for the relevant period.

⁽⁵⁾ Due to variations in size, complexity, SKU mix, batch sizes, and development activity, a fixed installed capacity cannot be defined; capacity is determined by the monthly product mix of Fiscal 2022-23.

⁽⁶⁾ As forging capacity, the first stage of manufacturing, lacks measurable capacity, only machining capacities (final stage) have been reported.

⁽⁷⁾ No production of Bevel Gears took place during the period ended June 30, 2025.

Category	Fiscal 2025				Fiscal 2024				Fiscal 2023			
	Installed Capacity ⁽¹⁾ in Nos.	Available Capacity ⁽²⁾ in Nos.	Actual Production ⁽³⁾ in Nos.	Capacity Utilization ⁽⁴⁾ in %	Installed Capacity ⁽¹⁾ in Nos.	Available Capacity ⁽²⁾ in Nos.	Actual Production ⁽³⁾ in Nos.	Capacity Utilization ⁽⁴⁾ in %	Installed Capacity ⁽¹⁾ in Nos.	Available Capacity ⁽²⁾ in Nos.	Actual Production ⁽³⁾ in Nos.	Capacity Utilization ⁽⁴⁾ in %
Bull Gears	660,000	660,000	505,111	76.53%	660,000	660,000	468,373	70.97%	660,000	648,000	515,417	79.54%
Internal Ring Gears	496,500	357,000	296,294	83.00%	496,500	406,500	335,222	82.47%	435,000	435,000	325,552	74.84%
Transmission Gears & Transmission Shafts	2,640,000	2,127,600	1,682,398	79.07%	2,610,000	2,349,000	1,466,850	62.45%	2,570,000	2,315,000	1,753,617	75.75%
Rear Axles	505,200	505,200	447,932	88.66%	546,000	546,000	414,689	75.95%	616,200	591,200	515,117	87.13%
Spindles	72,000	72,000	60,565	84.12%	72,000	72,000	54,729	76.01%	150,000	150,000	133,670	89.11%
Rock Shafts & Induction Hardened Shafts	360,000	360,000	306,380	85.11%	360,000	360,000	289,664	80.46%	426,000	426,000	341,879	80.25%
Bevel Gears	924,000	831,600	48,600	5.84%	462,000	462,000	68,837	14.90%	462,000	462,000	299,046	64.73%
Ground Gears & Shafts	957,600	15,000	10,590	70.60%	638,400	7,500	6,041	80.55%	Nil	NA	NA	NA

*As certified by Deepankar Sharma, independent chartered engineer, by certificate dated November 18, 2025.

⁽¹⁾ Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the industry in which we operate and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include (i) 300 working days in a year, at 3 shifts per day operating for 8 hours a day, (ii) product mix and SKU variation affect overall output, as cycle times differ across SKUs; for instance, a higher share of small planetary gears increases output compared to months with a larger proportion of bull gears. The installed capacities and their increased quantum have been assessed based on the SKU mix of Fiscal 2022-23.

⁽²⁾ The available capacity has been calculated based on the average of monthly available capacity for the relevant Fiscal. The calculation of available capacity for each fiscal is based on the actual SKU mix along with the following considerations: (i) machining time depends on the size of the component. Larger gears require longer cycles, more tool changes, and higher material removal, resulting in lower output, whereas smaller components can be processed more quickly. For instance, gear grinding may take about 50 seconds for a small planetary gear but up to 3,600 seconds for a bull gear. (ii) product design complexity impacts machining time, with intricate profiles requiring longer cycles (e.g., approximately 600 seconds for a complex spindle vs. ~240 seconds for a simpler one of similar size) (iii) development activity reduces available capacity, as new products require repeated trials, inspections, and process iterations before full-scale production can commence. (iv) production batch size influences machining output, as frequent SKU changes increase setup time and downtime, while larger batches improve efficiency through economies of scale.

⁽³⁾ Actual production represents quantum of production in the relevant Fiscal.

⁽⁴⁾ Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the available capacity for the relevant Fiscal.

⁽⁵⁾ Due to variations in size, complexity, SKU mix, batch sizes, and development activity, a fixed installed capacity cannot be defined; capacity is determined by the monthly product mix of Fiscal 2022-23.

⁽⁶⁾ As Forging capacity, the first stage of manufacturing, lacks measurable capacity, only machining capacities (final stage) have been reported.

Customers

Our customers include Indian and global OEM customers across sectors. Customers provide tentative requirement projections ranging from several quarters to a full year. These forecasts are accompanied by firm schedules for at least one month, which serve as the basis for production planning and delivery commitments. The remaining forecasted quantities are subject to periodic revision, depending on market conditions and customer response to their end products, particularly those supplied to OEMs. Pursuant to the purchase order, our customers provide us with the quantities of units to be supplied along with the delivery schedules.

The following tables set forth details of our revenue from sale of products from our top ten customers, in the period/ years indicated:

Particulars	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of revenue from sale of products (%)	Amount (₹ million)	Percentage of revenue from sale of products (%)	Amount (₹ million)	Percentage of revenue from sale of products (%)	Amount (₹ million)	Percentage of revenue from sale of products (%)
Revenue from sale of products from our top 10 customers	1,463.30	92.96%	4,579.17	94.43%	4,740.47	96.42%	5,534.20	98.35%

For information on the risks associated with customer concentration, see “*Risk Factors – Our business is dependent on certain key customers, and our top 10 customers contributed 92.96%, 94.43%, 96.42% and 98.35% of our revenue from sale of products in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, respectively. The loss of revenue from our top 10 customers could have an adverse impact on our business, results of operations, financial condition and cash flows.*” on page 36.

Between April 1, 2022 and June 30, 2025, we have served customers across ten countries, including the United States of America, the United Kingdom, Turkey, Germany, Belgium, Italy, Brazil, China, Hungary and Malaysia. The table below sets forth details of our exports and revenues from contract with customers outside India for the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of countries to which we supplied during the period/ Fiscal	6	9	5	6
Revenue from sale of products outside India (₹ million)	172.22	457.19	602.45	847.27
Revenue from sale of products outside India as a percentage of revenue from sale of products (%)	10.94%	9.43%	12.25%	15.06%

For further information relating to our relationship with key customers, see “– *Our Strengths - Long-standing relationships with marquee global and domestic OEM customers*” on page 239.

Raw Materials and Suppliers

Our primary raw material is alloy steel. We procure raw materials from our suppliers based on purchase orders, and we do not have any purchase agreements or firm commitments executed with them. In the three months ended June 30, 2025 and Fiscal 2025, 2024 and 2023, our cost of raw materials and components consumed expenses were ₹ 749.40 million, ₹ 2,505.61 million, ₹ 2,428.65 million and ₹ 3,199.75 million, respectively, which represented 44.60%, 47.26%, 45.54% and 52.20% of our revenue from operations for the respective Fiscals. We onboard suppliers only after the customer has evaluated and qualified them through their own internal process. Typically all alloy steels are sourced from steel mills that follow standardized manufacturing processes to meet the required specifications of our customers. Upon

receipt, all incoming raw materials are subjected to internal inspection to verify compliance with defined quality parameters.

Also, see “Risk Factors – Our business and profitability is substantially dependent on the availability and cost of our raw materials, i.e., alloy steel from our suppliers. Our cost of raw materials and components consumed accounted for 48.06%, 48.15%, 46.20%, and 53.59% of our total expenses in three months ended June 30, 2025, Fiscal 2025, 2024 and 2023 and volatility and unavailability caused by various external conditions or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows.” on page 42.

Power, Fuel and Water

Our manufacturing processes require an uninterrupted supply of power and fuel. We have made arrangements for power purchase from local utilities. In the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, our power, fuel and water expenses were ₹ 76.93 million, ₹ 231.01 million, ₹ 207.59 million and ₹ 197.79 million, representing 4.93%, 4.44%, 3.95% and 3.31% of our total expenses during the respective period. Although our manufacturing processes are not considered water-intensive, a certain amount of water is required to support operations. We utilise in-house bore wells in our manufacturing facilities are also utilized to supplement water needs. As part of our commitment to sustainability, ongoing water conservation efforts have been implemented, including measures to reduce wastage and the adoption of rainwater harvesting systems. For further information, see “Risk Factors – We have power, fuel and water requirements and any disruption to power or fuel or water sources could increase our production costs and adversely affect our business, results of operations, financial condition and cash flows.” on page 61.

Transportation

We rely, in some cases, on third-party logistics service providers for the transportation services for the timely delivery of our products to our customers. The choice of transportation mode for each shipment depends on several factors, including the urgency and size of the order. We use various modes of transportation such as road, air and sea, both domestically and internationally. In the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, our freight and cartage expense was ₹ 23.48 million, ₹ 87.90 million, ₹ 83.46 million and ₹ 124.20 million, representing 1.51%, 1.69%, 1.59% and 2.08% of our total expenses during the respective period.

Also, see “Risk Factors – We are dependent on third parties for the transportation of our products to our customers. Any failure by or loss of a third-party transport service provider could result in delays and increased costs, which may adversely affect our business, results of operations, financial condition and cash flows.” on page 55.

Sales and Marketing Team

Our sales and marketing team focuses on developing relationships with our domestic and international customers. As of June 30, 2025, our sales and marketing team consists of 14 employees. The functions of the sales and marketing team may be broadly classified into the following areas:

Schedule assimilation and delivery

Customer schedules are received prior to the start of each month. These are consolidated and processed by component team. The sales and marketing team collaborates with the product planning and control team to finalize the production plan, taking into account finished goods inventory and in-transit materials. SKU-level plans are prepared on a date-wise basis to ensure alignment with customer delivery requirements. Upon commencement of production, the team coordinates delivery schedules with customers in accordance with agreed terms.

Receivables and commercial coordination

Following material delivery, the team monitors receivables based on customer-specific payment terms. It also facilitates raw material movements, updates purchase orders upon mutual agreement, and manages commercial matters such as turnover discounts and other customer-specific arrangements.

New product development and Engineering Change Notice (“ECN”) management

ECN management refers to the structured process of handling changes to product designs, specifications, or manufacturing processes after the initial design has been released. All new component designs and ECNs are initially routed through the sales and marketing team, which communicates them to the engineering and design departments.

Feasibility and cost analyses are conducted, after which the team engages with customers to negotiate pricing or cost implications related to ECNs. The team subsequently tracks project timelines and ensures that customers receive regular updates.

Customer relationship management

The team contributes to maintaining customer relationships by addressing grievances, participating in meetings, ensuring consistent communication, attending supplier and customer events, resolving product quality concerns, and supporting customer-led initiatives at manufacturing sites.

Business development

The sales and marketing team supports business expansion by increasing engagement within existing product families, identifying and onboarding new customers, and exploring opportunities in both domestic and international markets.

Quality Control

We have implemented a quality control mechanism to ensure compliance with quality standards and customer requirements. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. We utilize microscope image analyser 1000X, foundry master spectrometer, XRF handheld metal analyser, ultrasonic test apparatus, universal tensile strength testing machine, digital impact test apparatus and magnetic particle testing machines. For gear inspection, we employ high precision metrology test equipment and technology, including 5-axis CNC gear analyzers, Klingelnberg P26 gear analysers, coordinate measuring machine, contour tracers, and roughness measuring machines. These tools and equipment play a crucial role in maintaining the standards of our products. Our manufacturing operations follow strict process control guidelines and international industry standards and practices. Our manufacturing facilities are certified under various applicable standards, including IATF 16949, ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, with each facility holding one or more of these certifications, as applicable, thereby reflecting our adherence to international quality, environmental, and occupational health and safety management systems.

Information Technology

Our IT systems are vital to our business. Our design and engineering facilities comprise IT-enabled processes such as computer-aided design, computer-aided manufacturing and computer-aided engineering facilities and design software. Our component development lab includes modelling infrastructure including CAD/CAM/CAE tools, 3 Axis CNC Tool Path Generation software and FEA analysis to help accelerate time-to-market for new components. We have implemented SAP platforms encompassing business functions, including production, materials, finance, inventory, maintenance, and human resource management. We focus on continuously upgrading our IT systems to ensure efficiency and business continuity. Also, see *“Risk Factors – Any failure to compete effectively in the highly competitive transmission components manufacturing industry could have a material adverse effect on our business, financial condition, results of operations and cash flows.”* on page 62.

For more information, see *“ - Our Strengths - Track record of consistently building technological capabilities, enabling us to manufacture high-quality, intricate and critical products”* on page 238.

Employees

As of June 30, 2025, we had 1,417 permanent employees and 2,038 contractual employees. The following table provides the breakdown of our employees by function:

Function	Number of employees
Engineers	293
Machinist	768
Staff	150
Workmen	206
Total	1,417

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three Fiscals.

Also, see *“Risk Factors – Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business,*

results of operations, financial condition and cash flows.” on page 64.

Health and Employee Safety

We are committed to providing a safe and healthy working environment to our employees. We have a comprehensive onboarding process for newly hired employees to ensure that they acquire the requisite skills. We conduct programs on safety protocols in the workplace, quality processes, and skill development. We have undertaken a range of measures to reduce the risk of accidents at our manufacturing facilities. These include the implementation of detailed employee safety manuals that outline both safety and environmental procedures, alongside regular hazard identification and risk assessments. All employees receive training and awareness programs covering machine operations, shop floor safety, first aid, and emergency response protocols. To ensure continuous improvement, we conduct regular safety audits, management review meetings, and employee safety meetings. Additionally, we organize periodic emergency mock drills to reinforce preparedness and effective response in case of emergencies.

Corporate Social Responsibility and ESG Initiatives

In compliance with the requirements of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility) Rules, 2014, our Board have constituted a Corporate Social Responsibility (“CSR”) Committee pursuant to which we carry out various CSR activities. In the six months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, our corporate social responsibility expenses were ₹ 0.01 million, ₹ 3.99 million, ₹ 2.30 million, and ₹ 1.58 million, representing 0.00%, 0.08%, 0.04%, and 0.03% of our revenue from operations, respectively.

We focus on reducing our environmental impact, optimize resource utilization, and enhance overall efficiency, reflecting our commitment to Environmental, Social, and Governance (“ESG”) principles. We have implemented measures to minimize our carbon footprint and conserve natural resources. For example, we have replaced oil-fired furnaces with induction bar-end heaters to reduce emission and fuel costs and improve heating cycles, installed variable-frequency drives (“VFDs”) on air compressors and thyristor controllers on heating and tempering furnaces for power savings, introduced systems for sealing and monitoring compressed-air leaks for reducing compressor run-time and energy consumption, and transitioning to eco-friendly and cost-effective packaging materials to minimize waste and environmental impact by doing away with wooden, paper, corrugation and one time use packaging.

Similarly, our social responsibility philosophy is driven by our belief in creating meaningful and lasting impact within our communities. For example, we undertake CSR activities through a charitable trust. We contribute to the charitable trust, which executes CSR projects in areas of public welfare, including domestic violence by supporting and rehabilitating victims of domestic abuse through counselling, legal aid, and empowerment programs, facilitating medical camps, preventive healthcare awareness, and access to essential health services for underprivileged communities, and providing educational facilities and learning support for rural and tribal communities, with a special focus on women and children, particularly those impacted by domestic violence.

Our governance framework includes monitoring of key business and compliance matters through structured reporting and periodic reviews, adherence to a code of conduct, anti-bribery, compliance with all applicable laws, environmental standards, and statutory requirements, identification and mitigation of operational, financial, and ESG-related risks through internal audit mechanisms, transparent financial and operational reporting, and active communication with customers, employees, suppliers and communities to promote trust and collaboration.

Awards and Accreditations

See, “History and Certain Corporate Matters – Awards, accreditations or recognition” on page 279.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we do not hold any intellectual property including patents. Our application dated July 21, 2025, is pending under the Trademarks Act, 1999, for obtaining trademark registration of a



device mark under Class 12, in the name of our Company with the Registrar of Trademarks. Further, we do not have any registered patents, designs or registered domain names. For further details, see, “Government and Other Approvals – Intellectual Property” on page 413.

See also, “Risk Factors – Our Company’s logo is not registered as on date of this Draft Red Herring Prospectus. However, application for registration of our trademark has been filed. We may be unable to adequately protect our intellectual property and/ or be subject to claims alleging breach of third-party intellectual property rights.” on page 59.

Competition

We face competition in India and overseas, which is influenced by factors including product quality and reliability, breadth of product range, technology, manufacturing capabilities, scope and quality of service, pricing, and brand recognition in the precision components manufacturing industry. (Source: 1Lattice Report). Our peers are Bharat Forge Limited, Sona BLW Precisions Forgings Limited, Happy Forgings Limited, Ramkrishna Forgings Limited and Shanthi Gears Limited. For more information on financial benchmarking, see “Industry Overview – Financial Benchmarking” on page 225.

For further information on risks related to competition, see “Risk Factors – Any failure to compete effectively in the highly competitive transmission components manufacturing industry could have a material adverse effect on our business, financial condition, results of operations and cash flows. on page 62.

Insurance

We maintain insurance coverage under various policies to safeguard against potential risks associated with our operations. We maintain insurance policies covering fire and special perils (material damage), burglary, marine cargo, employees compensation and group health and group personal accident. We believe that our insurance coverage is appropriate for the risks inherent in our business. Our policies are subject to standard limitations and exclusions and may not cover all potential losses. As we continue to expand our business operations, we regularly review and assess our risk exposure and insurance policies to ensure adequate coverage and business continuity protection in line with industry practices.

Also, see “Risk Factors - Our insurance coverage may not be adequate, or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our financial condition, cash flows and results in operations.” on page 70.

Properties

Our Registered Office is located at 58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India, which is held by us on a leasehold basis, and the lease deed is valid for 95 years from August 31, 1984 to August 30, 2079. Our Corporate Office is located at KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India, which is situated on the land parcel owned by us. The table below sets forth details of our manufacturing facilities and other key properties of our Company:

Property	Address	Arrangement (Owned/ Leased)	Validity of lease deed	Lessor
Unit I (also our Registered Office)	58, Sector 1, Industrial Area, Parwanoo, District Solan – 173 220, Himachal Pradesh, India	Leased	August 31, 1984 to August 30, 2079	Himachal Pradesh Housing Board
Unit II	KK-11,12 & 13, HSIIDC Industrial Estate, Kalka – 133 302, Haryana, India	Owned	-	-
Unit III	Plot No. 8, Industrial Area Barotiwala, Distt. Solan, Himachal Pradesh, India	Leased	November 26, 1987 to November 26, 2068	Governor of Himachal Pradesh
Unit IV	Mouja Barotiwala, Hadbast No. 196, Pargana Doon, Tehsil Baddi, District Solan, Himachal Pradesh, India	Owned	-	-
Unit V	Plot No. 20B, 22-24, Sector-1, Parwanoo	Leased	Till March 31, 2027	Shubh Timb Steels Private Limited
Unit VI	Village Rajgarh Hadbast No. 243, Tehsil Paeel, District Ludhiana, Punjab, India	Owned	-	-
Unit VII	Village Barotiwala, Pargana Doon, Tehsil Kasuali, District Solan, Himachal Pradesh, India	Owned	-	-
Unit VIII	Village Jharmajri P.O., Barotiwala, District	Owned	-	-

Property	Address	Arrangement (Owned/ Leased)	Validity of lease deed	Lessor
	Solan, Himachal Pradesh, India			
Unit IX	K/K no. 312/314, Khasra No. 955/908/34 (2-17), Khasra No. 959/910/35 (3-03) and Khasra No. 965/910/37 (00-08), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India K/K no. 312/314, Khasra No. 910/35/2/2/2/1 (1-11), Khasra No. 910/35/2/2/2/2 (1-12) and 965/912/37 (0-80), Village Katha, Tehsil Baddi, District Solan, Himachal Pradesh, India	Leased	August 21, 2020 to August 31, 2030 and April 1, 2022 to March 31, 2027	Atul Gupta and Vipin Gupta
Warehouse	Rameshwarpur (Lalpur) Opp Golju Vohar Colony (On Lalpur-Nagla Road, Tehsil Kichha, District Udham Singh Nagar, 263 148 Uttarakhand), India	Leased	Till December 1, 2029	Manju

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key laws, guidelines and regulations in India, which are applicable to our Company and the business undertaken by our Company. The information detailed in this section is based on the provisions of statutes, bills, regulations, notifications, memorandum, circulars and policies which are subject to amendment, modification and / or change by subsequent legislative, regulatory, administrative or judicial decisions. The information in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional legal advice. For details of the material government approvals obtained by our Company, see “Government and Other Approvals” on page 411.

Industry-specific legislations applicable to our Company

The Legal Metrology (National Standards) Rules, 2011 (“National Standards Rules”)

The National Standards Rules was framed under Section 52(1) and (a), (b), (d), (e) of sub-section (2) of the Legal Metrology Act, 2009 and laid down specific regulations that govern the establishment and maintenance of national measurement standards in India. These rules are designed to ensure uniformity and accuracy in measurements across various sectors, protect consumer interests, and facilitate fair trade. The rules also align with international standards and recommendations, particularly those set by the International Organization of Legal Metrology (“OIML”).

The Industries (Development and Regulation) Act, 1951, as amended (“IDR Act”)

The IDR Act provides for the development and regulation of certain industries such as the manufacturing industry. The owner of the industrial undertaking is required to register and have a valid registration certificate and must have a prior license for producing or manufacturing new articles. An industrial undertaking means any such manufacturing process which is being carried on with the aid of power having 50 or more workers or without the aid of power having 100 or more workers (on any day of the preceding 12 months). Furthermore, the Act empowers the Central Government to revoke the registration when the registration was obtained upon misrepresentation of an essential fact, or the undertaking has ceased to be registrable by the reason of any exemption granted under this act or the registration has become ineffective. In the case, if a particular activity falls within the exempted category, then an Industrial Entrepreneur Memorandum needs to be filed for undertaking manufacturing of such exempted articles as provided in the notification issued by the Ministry of Commerce and Industry, Government of India having notification number 477(E) dated July 25, 1991. Upon contravention, the Act imposes penalties in the form of pecuniary fines or imprisonment.

Duty Drawback Scheme

The Duty Drawback Scheme is an option available to exporters. Under this Scheme, an exporter of goods is allowed to take a refund of money to compensate them for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government (“CG”) to grant such duty drawback. Under the powers conferred on the CG, a notification dated October 20, 2023 (“**said notification**”) was issued revising the rates of drawback on duties paid by exporters for the exported products. The revised rates of drawback, as per the said notification, came into effect from October 30, 2023, superseding the earlier notification on drawback rates dated January 28, 2020. The Department of Revenue, Ministry of Finance, has issued notifications dated April 30, 2024, and April 17, 2025, making further amendments to the said notification.

Further, the Customs, Central Excise Duties and Service Tax Drawback Rules, 2017, as amended (“**Drawback Rules**”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under the Scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme. The all-industry rate of the Scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules six and seven of the Drawback Rules in cases where the export product does not have any all-industry rate or duty drawback rate, or where all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products.

National Electric Mobility Mission Plan, 2020

The Ministry of Heavy Industries and Public Enterprises released the National Electric Mobility Mission Plan, 2020 (“**Plan**”) with a vision to bring a transformational paradigm shift in the automotive industry vide collaborative planning for promotion of hybrid and electric mobility in India. This Plan is devised by to achieve national fuel security, to provide affordable and sustainable transportation to enable the Indian automotive industry to be globally recognized. Further, the Plan seeks to provide certain incentives such as promoting research and development in technology including battery technology, power electronics, systems integration, battery management system, testing infrastructure and ensuring industry participation by promoting charging infrastructure.

The Automotive Mission Plan 2016-2026 (“AMP”)

The Ministry of Heavy Industries, Government of India released the AMP in September 2015, which aims of making the Indian automotive industry an integral part of the “Make in India” programme. It aims to position India as a global hub and amongst the top three nations in the world in engineering, manufacturing and export of automotive vehicles and components by the year 2026. The AMP encourages interventions in the form of incentives for the speedy development of an indigenous component design and manufacturing base for electric and hybrid vehicles industry, and planned establishment of adequate charging stations in both cities and rural areas.

Scheme for Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (“FAME India Phase II”) and notifications issued thereunder

The phased manufacturing programme (“**PMP**”) sought to promote domestic manufacturing of electric vehicles, its assemblies/sub-assemblies, and parts/sub-parts, thereby increasing the domestic value addition and creating employment opportunities. In line with the objectives of the programme, the DHI launched a scheme, namely ‘Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India)’ for the promotion of electric and hybrid vehicles on March 13, 2015. Thereafter, for faster adoption of electric mobility and development of its manufacturing eco-system in the country, phase II of the scheme namely ‘FAME India Phase II’ was proposed to be implemented over a period of 3 years, w.e.f. 1st April 2019. The main objective of phase II is to encourage faster adoption of electric mobility and development of its manufacturing eco-system in the country. The scheme was thereafter extended till up to March 31, 2024, vide gazette notification dated June 25, 2021. The implementation of the scheme is through 3 verticals: (i) demand incentives, (ii) establishment of network of charging stations, (iii) administration of scheme including publicity, IEC (Information, Education & Communication) activities with year-wise funds allocated for each vertical. The demand incentive parameter seeks to directly help in demand generation of electric vehicles by reducing the cost of acquisition. This is to be achieved by making certain incentives available for consumers (buyers/end users) in the form of an upfront reduced purchase price of hybrid and electric vehicles to enable wider adoption, which will be reimbursed to the original equipment manufacturer by Central Government. The scheme contemplates central government’s efforts to promote e-mobility to receive supplemental support from state governments as well. The states need to offer bouquet of fiscal and non-fiscal incentives such as waiver/concessional road tax, exemption from permit, waiver/concessional toll tax, waiver/concessional parking fees, concessional registration charges, etc., which is to be notified separately in order for entities dependent on state support to be eligible for central assistance under this scheme.

Though the scheme is applicable mainly to vehicles used for public transport or those registered for commercial purposes in three-wheelers, four-wheelers, and bus segments, privately owned registered two-wheelers are covered as a mass segment. Vehicles must, among other conditions to avail demand incentives, be registered as “motor vehicles” and satisfy the provisions terms of type approval, classification, categorization, definition, road worthiness, and registration under the Central Motor Vehicle Rules, 1989, be fitted with advance batteries satisfying the performance criteria notified under the scheme and be accompanied by a comprehensive warranty for at least three years, including that of battery from the manufacturer, and have adequate facilities for after sales service for the life of vehicle.

Bharat Stage (BS) VI Emission Standards (“BS-VI Standards”)

The Indian Ministry of Road Transport and Highways issued a draft notification of Bharat Stage (BS) VI emission standards for all major on-road vehicle categories in India in February 2016. The adoption of these standards seeks to bring the Indian motor vehicle regulations into alignment with European Union regulations for light-duty passenger cars and commercial vehicles, heavy-duty trucks and buses, and two-wheeled vehicles. Taking a leap from the Bharat Stage-V emission standards, these standards were enforced amid the lockdown on April 1, 2020. The BS-VI Standards set forth emission standards, type approval requirements, on-board diagnostic systems specifications, and durability levels for all major vehicle categories in India. Additionally, the BS-VI standards also have specifications for reference and commercial fuels.

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.

National Steel Policy, 2017 (“NSP 2017”)

The NSP 2017 seeks to enhance domestic steel demand with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. It also aims to create environment for attaining (i) self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, central public sector enterprises and encourage adequate capacity additions; (ii) development of globally competitive steel manufacturing capabilities; (iii) cost-efficient production and domestic availability of iron ore, coking coal and natural gas; and (iv) facilitate investment in overseas asset acquisitions of raw materials. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

Steel Scrap Recycling Policy, 2019 (the “Steel Recycling Policy”)

The Steel Recycling Policy was introduced by the Ministry of Steel, Government of India, envisaging a framework to facilitate and promote the establishment of metal scrapping centres in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe and environmentally sound manner. The policy aims to achieve the objectives, inter alia, to promote circular economy in the steel sector; to promote a formal and scientific collection; dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; processing and recycling of products in an organized, safe and environment friendly manner; to evolve a responsive ecosystem by involving all stakeholders; to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; to decongest the Indian cities from end of life vehicles (“ELVs”) and reuse of ferrous scrap; to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 issued by Ministry of Environment, Forest and Climate Change; and to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centres / facility.

Fire prevention laws

The State legislatures in India have the power to endow the municipalities with the power and authority to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire services.

The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the Central Electricity Authority may in consultation with the State Government specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2023 (“CEA Regulations”)

The CEA Regulations are applicable to electrical installation including electrical plant and electric line, and the person engaged in the generation or transmission or distribution or trading or supply or use of electricity. It lays down regulations for safety requirements for electric supply lines and accessories, such as meters, switchgears, switches and

cables. All material and apparatus used in the construction, installation, protection, operation and maintenance of electric supply lines and apparatus are required to conform to the relevant standards as provided under the CEA Regulations. Pursuant to the CEA Regulations, all electric supply lines and apparatus are required to have sufficient rating for power, insulation, and estimated fault current and of sufficient mechanical strength, for the duty cycle which they may be required to perform under the environmental conditions of installation and shall be constructed, installed, protected, worked and maintained in such a manner as to ensure safety of human beings, animal and property. The supplier is also required to provide a suitable switchgear in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer's premises, in an accessible position and such switchgear is required to be adequately enclosed in a fireproof receptacle.

Laws related to Employment

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA Act")

In respect of our manufacturing facilities, we use the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 (twenty), subject to state amendments, in respect of certain facilities. Accordingly, we are regulated by the provisions of the CLRA Act, and the rules framed thereunder which requires us to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Factories Act, 1948 (the "Factories Act")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions. This legislation is being enforced by the Central Government through officers appointed under the Factories Act i.e., Inspectors of Factories, Deputy Chief Inspectors etc. who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of us, to the extent applicable as on date of this DRHP or would be applicable in the future. These include, among others, the following:

- the Apprentices Act, 1961,
- the Child Labour (Prohibition and Regulation) act, 1986,
- the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952,
- the Employees State Insurance Act 1948,
- the Equal Remuneration Act, 1976,
- the Industrial Employment (Standing Orders) Act, 1946,
- the Maternity Benefit Act, 1961,
- the Minimum Wages Act, 1948,
- the Payment of Bonus Act, 1965,
- the Employees Deposit Linked Insurance Scheme, 1976
- the Employees' Pension Scheme, 1995
- the Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- the Payment of Gratuity Act, 1972,
- the Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957
- the Payment of Wages Act, 1936,
- the Trade Unions Act, 1926, and

- the Workmen's Compensation Act, 1923.

In order to rationalize and reform labour laws in India, the Government of India has enacted four labour codes that would subsume primarily all the central laws and would collectively form the governing labour legislations, as and when brought into effect. These four codes are:

(i) *The Industrial Relations Code, 2020* received the assent of the President of India on September 28, 2020, and it 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.

(ii) *The Code on Wages, 2019* received the assent of the President of India on August 8, 2019, and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated December 18, 2020, the Government of India brought into force certain sections 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;

(iii) *The Occupational Safety, Health and Working Conditions Code, 2020* 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 Safety, Health and Working Conditions Code will come into effect on a date to be notified by the Central Government; and

(iv) *The Code on Social Security, 2020* received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. Through its notification dated April 30, 2021, the Government of India brought into force section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India

The Indian Contract Act, 1872 (the "Indian Contract Act")

Indian Contract Act governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; competency of people to contract, additionally, revocation, and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act, 1872. However, the law is not updated yet to deal with electronic contracts, where there is absence of online signatures.

Sale of goods Act, 1930 (the "Sale of Goods Act")

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods which are the subject matter of the provision of the Sale of Goods Act.

Environmental laws

The Environment Protection Act, 1986 (the "Environment Protection Act"), Environment Protection Rules, 1986 (the "Environment Protection Rules") and the Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The Environment Protection Act was enacted to provide a framework for co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the central government to protect and improve environment quality, control and reduce pollution. The Environmental Protection Act and the Environment Protection Rules made thereunder protect and improve the environment and provides rules for the prevention, control and abatement of environmental pollution, and imposes obligations for the proper handling, storage treatment, transportation and disposal of hazardous wastes. The Environment Protection Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as prescribed. The contravention or failure to comply with the

provisions of the Environment Protection Act may attract penalties in the form of imprisonment or fine. Further, the Environment Protection Rules specifies, amongst others, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas.

Under the EIA Notification, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources by the respective project.

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air Act was enacted and designed for the prevention, control and abatement of air pollution and establishes central and state boards for the aforesaid purposes. In accordance with the provisions of the Air Act, any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity.

The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of central pollution control board and state pollution control board with a view to carry out the aforesaid purpose. Any person establishing or taking steps to establish any industry, operation or process, or any treatment and disposal system or extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream, well, sewer or on land is required to obtain the previous consent of the concerned state pollution control board.

Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”)

The Noise Pollution Rules were enacted to regulate and control noise producing and generating sources with the objective of maintaining of ambient air quality standards in respect of noise in different areas/zones. Pursuant to the Noise Pollution Rules, different areas/zones shall be classified into industrial, commercial, residential or silence areas/zones, with each area having a permitted ambient air quality standard in respect of noise. The Noise Pollution Rules provide for penalties in case the noise levels in any area/zone exceed the permitted standards.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The objective of the Hazardous Waste Rules is to control the collection, reception, treatment and storage of hazardous waste. The Hazardous Waste Rules prescribes for every person who is engaged in generation, treatment, processing, package, storage, transportation, use, collection, destruction, conversion, recycling, offering for sale, import, export, transfer or the like of the hazardous and other wastes to obtain an authorisation from the relevant state pollution control board. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The E-Waste Management Rules, 2016 (the “E-Waste Rules”)

The E-Waste Rules apply to every producer or consumer or bulk consumer, amongst others, involved in transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment. The E-Waste Rules obligate the aforesaid persons to channelize the e-waste generated through collection centre, or dealer of authorized producer or dismantler or recycler and maintain record of such e-waste generated. According to E-Waste Rules, the entities covered under the rules are required to get themselves registered with the concerned state pollution control board and to ensure that no damage is caused to the environment during the storage and transportation of e-waste.

The Plastic Waste Management Rules, 2016 (the “PWM Rules”)

The PWM Rules are applicable to every waste generator, local body, gram panchayat, manufacturer, importers, brand owner, plastic waste processor (recycler, co-processor, etc) and producer. PWM Rules lays down the process of managing the plastic waste by its manufacturer, importer, generator, amongst others. The PWM Rules specify the rules relating to inter alia conditions for manufacture, import, stocking, distribution, sale and use of carry bags, plastic sheets or like, or cover made of plastic sheet and plastic packaging, single-use plastic. Further, the PWM Rules provides for responsibility of local body, waste generator, producers, importers and brand owners, etc., marking or labelling of plastic packaging, registration of producers, recyclers and manufacturer. Further, the PWM Rules provides for submitting of an

annual report in the prescribed form by every person engaged in recycling or processing of plastic waste. It levies environmental compensation based upon polluter pays principle for any non-compliance with the provisions of the PWM Rules.

National Environmental Policy (2006) (“NEP”)

The NEP, formulated under the Environment (Protection) Act, 1986, aims to ensure environmental protection while fostering economic development. It recognizes that only such development is sustainable which respects ecological constraints and the imperatives of justice. The NEP emphasizes conservation of critical environmental resources, intra-generational and inter-generational equity, and calls for enhancing resources for environmental conservation and management. It provides a framework for regulatory reforms, public participation, and integration of environmental concerns into sectoral policies.

The Public Liability Insurance Act, 1991 (the “PLI Act”)

The primary objective of the PLI Act is to provide public liability insurance for the purpose of providing immediate relief to the persons affected by an accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The PLI Act imposes a duty on the owner, a person who owns or has control over handling hazardous substance at the time of accident, to take out insurance policies before manufacturing, processing, treating, storing, packaging or transporting hazardous substances, for any damage arising out of an accident involving such hazardous substances. The penalties for contravention of the provisions of the PLI Act includes imprisonment or fine or both.

Tax Laws

Income Tax Act, 1961 (the “Income-tax Act”)

The Income-tax Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Customs Act, 1962 and the Customs Tariff Act, 1975

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is required to obtain an Importer Exporter Code under Foreign Trade (Development and Regulation) Act, 1992. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975.

Goods and Service Tax Act, 2017

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, the Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Tax Act, 2017 (“CGST”), relevant state’s Goods and Services Tax Act, 2017 (“SGST”), Union Territory Goods and Services Tax Act, 2017 (“UTGST”), Integrated Goods and Services Tax Act, 2017 (“IGST”), Goods and Services (Compensation to States) Tax Act, 2017 and various rules made thereunder.

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State-wise legislations in relation to professional tax.

Laws relating to Foreign Investment and Trade Regulations

The Foreign Exchange Management Act, 1999 and regulations framed thereunder

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and 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 (the “Consolidated FDI Policy”). Under the current Consolidated FDI Policy, foreign investment in manufacturing sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

Foreign Trade (Development and Regulation) Act, 1992 (the “FTA”) and the rules framed thereunder

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number (“IEC”) granted by the Director General of Foreign Trade, Ministry of Commerce (“DGFT”). The IEC granted to any person may be suspended or cancelled, inter alia, in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA.

Remission of Duties and Taxes on Exported Products (“RoDTEP”)

RoDTEP ensures that exporters receive refunds on the embedded taxes and duties which were previously non-recoverable. The objective of the scheme is to refund currently un-refunded duties, taxes, and levies at the central, state, and local levels, borne on the exported product, including prior-stage cumulative indirect taxes on goods and services used in the production of the exported product, and such indirect duties, taxes, and levies in respect of the distribution of exported products.

Export Promotion Capital Goods Scheme (“The EPCG Scheme”)

The EPCG Scheme provides that importers can benefit from zero customs duty on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount, such amount being a multiple of the duty saved, within a specified period. In addition, authorized importers are required to fulfil the average export obligation achieved in the preceding three licensing years for the same and similar product.

Intellectual Property Laws

The Trade Marks Act, 1999 (“Trademarks Act”) and the Trade Marks Rules, 2017 (“Trademarks Rules”)

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement of such marks. The Trademarks Act permits registration of trademarks for goods and services and prohibits any registration of deceptively similar trademarks or compounds, among others. It also covers infringement of trademarks and falsifying and falsely applying for trademarks. As per the Trademarks Act, any person found to be falsifying trademarks shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees. The Trademarks Rules provide for inter alia the procedures for filing an application for registration of trademarks to the Trade Marks Registry (“**Registry**”) and for filing an opposition to any application for registration of a trademark.

Other applicable laws

State and municipality laws

We operate in various states. Accordingly, legislations passed by the respective state governments are applicable to us in those states. These include legislations relating to, among others, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area. Further, the respective states have enacted laws empowering the municipalities to issue trade licenses for operating eating outlets and implementation of regulations relating to such licenses along with prescribing penalties for noncompliance.

Other Acts

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Information Technology Act, 2000, Competition Act, 2002, Companies Act, 2013, the Digital Personal Data Protection Act, 2023 along with the Digital Personal Data Protection Rules, 2025, and other applicable laws and regulations imposed by the Central and State Governments and other authorities for our day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Milestone Gears Private Limited' at Jalandhar, Punjab as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 27, 1984, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on October 1, 2025 and the name of our Company was changed to Milestone Gears Limited, and a fresh certificate of incorporation dated October 7, 2025 was issued to our Company by the Registrar of Companies, Central Processing Centre.

Change in registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since the date of its incorporation:

Date of Change	Details of change	Reasons for change
September 7, 1984	Registered office of our Company was changed from "C/O Continental Auto Ancillary Limited, P.O. Village Gumma, Parwanoo, Himachal Pradesh" to "58, Sector 1, Industrial Area, Parwanoo, District Solan, Himachal Pradesh".	For administrative convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

"1. To carry on all or any of the business of manufacturers, exporters, importers, buyers, sellers, manipulators, fabricators, assemblers in all kinds of gears.

2. To carry on all or any of the business of manufacturers, exporters, importers, buyers, sellers, manipulators, fabricators, assemblers of and dealers in machinised forging/casting, ferrous and non-ferrous section, spares, components, parts, attachments, and ancillaries for vehicles, automobiles, and other equipment of all kinds.

3. To carry on the business of engineers and manufacturers of machinery, tools making, electrical, engineering as also buy, sell, manufacture, repair, convert, alter, let and hire and deal in machinery, implements, rolling stock, and hardware of all kinds.

3A. To invest, lease, manage, supply manpower, or otherwise carry on the business of engineering, procurement, construction, erection, commissioning, operation, and maintenance of projects based on commercialization of technology for conversion of hydrocarbonaceous feed stocks such as plastics into petroleum fuels, petrochemical feedstock, oils, syngas, electricity, and recovery of energy thereof."

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Nature of Amendment
May 7, 2022	Part A of Clause III of our Memorandum of Association was amended to reflect the following inclusion in the main objects of our Company: <i>"3A. To invest, lease, manage, supply manpower, or otherwise carry on the business of engineering, procurement, construction, erection, commissioning, operation and maintenance of projects based on commercialization of technology for conversion of hydrocarbonaceous feedstocks such as plastics into petroleum fuels, petrochemical feedstock, oils, syngas, electricity and recovery of energy thereof."</i>
September 13, 2025	Our existing Memorandum of Association was substituted with a new Memorandum of Association to align with the provisions of the Companies Act, 2013. Clause V of our Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from 3,000,000 equity shares of ₹10 each to 22,000,000 equity shares of ₹10

Date of Shareholders' resolution	Nature of Amendment
	each.
	Clause V of our Memorandum of Association was amended to reflect the sub-division of 22,000,000 equity shares of ₹10 each to 110,000,000 Equity Shares of ₹2 each.
September 29, 2025	Clause V of our Memorandum of Association was amended to reflect the increase in authorized share capital of our Company from 110,000,000 equity shares of ₹2 each to 120,000,000 equity shares of ₹2 each.
October 1, 2025	Clause 1 of our Memorandum of Association was amended to reflect the change in name of our Company from "Milestone Gears Private Limited" to "Milestone Gears Limited", pursuant to the conversion of our Company to a public limited company.

Major events and milestones of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Particulars
1984	Incorporated as a private limited company
1985	Commenced production at Unit I for manufacturing shafts and gears & establishing induction hardening technology
1991	Established Unit II for processing of automotive components on job basis
2004	Commenced production at Unit III for manufacturing shafts and gears and forayed into heat treatment with GCF furnaces
2009	Purchased CNC 4-Axes analytical gear testing system for Unit IV which enabled the Company to test the accuracy of gear lead and profile parameters Purchased used forging upsetter machine to establish in-house forging capability through reverse integration for Unit V
2010	Commenced production at Unit IV for manufacturing shafts and gears, axles and automobile parts
2011	Commenced production at Unit VI for manufacturing rear axle shaft forgings
2012	Commenced production at Unit VII for manufacturing gear, shaft and assemblies Commenced production at Unit VIII for manufacturing forgings of shafts, axles and auto components on hammers & upsetters
2015	Forayed into the usage of 'ring gear scudding technology' through purchase of profilator scudding machine s-500-V CNC for scudding of internal ring gears from Profilator GmbH & Co. KG
2019	Expanded heat treatment facility through purchase of Seal Quench Furnace (SQF) equipment from Aichelin Unitherm Heat Treatment Systems India Pvt. Ltd.
2021	Commenced production at Unit IX for manufacturing gears and shafts Purchased CNC Spiral & Straight cut bevel gear generation machine from Gleason Works (India) Private Limited to manufacture cut bevel gears
2022	Installed Reishauer RZ 260 Generative Gear Grinding machines which gave us entry into the ground gears and shafts component family
2023	Tata Hitachi Construction Machinery Company Private Limited became our customer
2024	AGCO Trading India Private Limited, John Deere India Private Limited, Liebherr CMCtec India Limited, Valeo India Private Limited, Wabtec Corporation became our customers
2025	Progress Rail Locomotive Inc. became our customer

Awards, accreditations or recognitions

The following are the key awards, accreditations and recognitions received by our Company:

Calendar Year	Particulars
2010	Received the outstanding performance award (automotive and farm equipment sectors) from Mahindra & Mahindra Ltd.
2012	Received the best supplier award for outstanding contribution in new product development from Tractors and Farm Equipment Limited Received the best supplier award for quality and capacity ramp up from TMTL
2013	Received the best supplier award for significant contribution towards IBU business growth from Tractors and Farm Equipment Limited
2014	Received the best supplier award for quality and delivery from Eicher Tractors
2015	Received best supplier award for outstanding contribution in co-creating value from Tractors and Farm Equipment Limited
2016	Received best supplier award for outstanding contribution in co-creating value from Tractors and Farm Equipment Limited
2017	Received the kaizen award for our Unit IV from the Confederation of Indian Industry
2018	Received the supplier award for cost engineering from Mahindra & Mahindra Ltd. – Swaraj Division
2023	Received the exports excellence award from JCB
2024	Received the outstanding supplier award from United Gear and Assembly in recognition of outstanding quality, delivery and customer service Received the best supplier award for overall performance from Tractors and Farm Equipment Limited
2025	Received the best cost efficiency award from Escorts Kubota Limited

Launch of key products or services, entry or exit in new 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*” and “*Our Business*” on pages 279 and 233 respectively.

Significant financial or strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Time or cost overruns

There have been no time or cost overruns pertaining to the setting up of projects by our Company since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Revaluation of assets

Our Company has not revalued its assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, Associates and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, associates or joint ventures.

Details regarding material acquisition or divestment of business or undertakings

There have been no material acquisitions or divestments of business or undertakings by our Company in the last 10 years.

Mergers or amalgamations

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Draft Red Herring Prospectus.

Lock-out and strikes

There have been no lock-outs or strikes at any time at the offices of our Company.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Guarantees given by our Promoter Selling Shareholders

Other than as disclosed below, as on the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholders have not given any guarantees to third parties:

S. No.	Promoter Selling Shareholders who have given guarantee	Guarantee issued in favour of	Borrower	Reason	Period of guarantee	Guarantee amount (in ₹ million)	Amount outstanding as on September 30, 2025	Type of facility	Consideration
1.	Ashok Kumar Tandon and Aman Tandon	Tata Capital Limited	Company	To obtain lease financing facility	Till the underlying loan is repaid in full by our Company	1,388.64	168.10	Lease financing	Nil
2.	Ashok Kumar Tandon and Aman Tandon	State Bank of India	Company	To obtain term loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	257.17	Term loan	Nil
3.	Ashok Kumar Tandon and Aman Tandon	State Bank of India	Company	To obtain guaranteed emergency credit line facility	Till the underlying loan is repaid in full by our Company	1,388.64	60.81	Guaranteed emergency credit line	Nil
4.	Ashok Kumar Tandon and Aman Tandon	State Bank of India	Company	To obtain cash credit facility	Till the underlying loan is repaid in full by our Company	1,388.64	73.17	Cash credit	Nil
5.	Ashok Kumar Tandon and Aman Tandon	Siemens Financial Services Private Limited	Company	To obtain lease financing facility	Till the underlying loan is repaid in full by our Company	1,388.64	262.34	Lease financing	Nil
6.	Ashok Kumar Tandon and Aman Tandon	HDFC Bank Limited	Company	To obtain bill discounting facility	Till the underlying loan is repaid in full by	1,388.64	299.46	Bill discounting	Nil

S. No.	Promoter Selling Shareholders who have given guarantee	Guarantee issued in favour of	Borrower	Reason	Period of guarantee	Guarantee amount (in ₹ million)	Amount outstanding as on September 30, 2025	Type of facility	Consideration
					our Company				
7.	Ashok Kumar Tandon and Aman Tandon	HDFC Bank Limited	Company	To obtain cash credit facility	Till the underlying loan is repaid in full by our Company	1,388.64	311.95	Cash credit	Nil
8.	Ashok Kumar Tandon and Aman Tandon	HDFC Bank Limited	Company	To obtain term loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	378.50	Term loan	Nil
9.	Ashok Kumar Tandon and Aman Tandon	HDFC Bank Limited	Company	To obtain working capital demand loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	480.00	Working capital demand loan	Nil
10.	Ashok Kumar Tandon and Aman Tandon	HDFC Bank Limited	Company	To obtain guaranteed emergency credit line facility	Till the underlying loan is repaid in full by our Company	1,388.64	109.45	Guaranteed emergency credit line	Nil
11.	Ashok Kumar Tandon and Aman Tandon	ICICI Bank Limited	Company	To obtain term loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	12.40	Term loan	Nil
12.	Ashok Kumar Tandon and Aman Tandon	EXIM Bank	Company	To obtain term loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	206.56	Term loan	Nil
13.	Ashok Kumar Tandon and Aman Tandon	Yes Bank	Company	To obtain guaranteed emergency credit line facility	Till the underlying loan is repaid in full by our Company	1,388.64	36.53	Guaranteed emergency credit line	Nil
14.	Ashok Kumar Tandon and Aman Tandon	Yes Bank	Company	To obtain cash credit facility	Till the underlying loan is repaid in full by our Company	1,388.64	51.18	Cash credit	Nil

S. No.	Promoter Selling Shareholders who have given guarantee	Guarantee issued in favour of	Borrower	Reason	Period of guarantee	Guarantee amount (in ₹ million)	Amount outstanding as on September 30, 2025	Type of facility	Consideration
15.	Ashok Kumar Tandon and Aman Tandon	Yes Bank	Company	To obtain working capital demand loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	420.00	Working capital demand loan	Nil
16.	Ashok Kumar Tandon and Aman Tandon	State Bank of India	Company	To obtain working capital demand loan facility	Till the underlying loan is repaid in full by our Company	1,388.64	473.28	Working capital demand loan	Nil

The guarantees have been issued in connection with various loans taken by the Company. Pursuant to the terms of the guarantees, the obligations of the Promoter Selling Shareholders include repaying the outstanding loan amount if the Company defaults in their obligations. The financial implications in case of default by the borrower are that the lender would be entitled to invoke the guarantee to the extent of the outstanding loan amount together with any interests, costs or charges due to the respective lenders. Our Company has no obligations under the terms of the guarantees provided by our Promoter Selling Shareholders. For further details of the security, please see, “*Financial Indebtedness – Principal terms of the borrowings availed by our Company*” and “*Restated Financial Information*” on pages 402 and 309, respectively.

For further information on our indebtedness, see “*Financial Indebtedness*” on page 401.

Other Confirmations

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Company.

Shareholders’ agreements

As on the date of this Draft Red Herring Prospectus, our Company does not have any shareholders’ agreement.

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters or any other employee

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Other material agreements

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

There are no inter-se agreements / arrangements to which our Company or any of the Promoters or Shareholders are a party to and there are no clauses / covenants which are material, and which needs to be disclosed, and that there are no other clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders of our Company.

There are no other agreements / arrangements, deed of assignments, acquisition agreements, shareholder agreements, inter-se agreements or agreements of like nature and clauses / covenants which are material, and which need to be

disclosed or non-disclosure of which may have bearing on the investment decision.

There are no agreements entered into by any Shareholders, Promoters, members of the Promoter Group, related parties, Directors, Key Managerial Personnel, and employees of our Company, among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of our Company or impose any restriction or create any liability upon our Company, including any rescission, amendment or alteration of such agreements, whether or not our Company is a party to such agreements.

There are no other material covenants in any of the agreements (specifically related to primary and secondary transactions of securities and financial arrangements), other than the ones already disclosed in this Draft Red Herring Prospectus.

Material clauses of the Articles

There are no material clauses of the Articles that have been left out from disclosure in this Draft Red Herring Prospectus, having any bearing on the Offer.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. As on the date of filing of this Draft Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors including one woman Independent Director. 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.

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other directorships
Ashok Kumar Tandon <i>Designation:</i> Chairman-cum-Executive Director <i>Date of birth:</i> March 26, 1946 <i>Age:</i> 79 years <i>Address:</i> House No. 75, Sector 7, Panchkula, Sector 8 - 134 109, Haryana, India <i>Occupation:</i> Business <i>Current term:</i> For a period of five years with effect from April 16, 2021, and liable to retire by rotation ⁽¹⁾ <i>Period of directorship:</i> Director since incorporation* <i>DIN:</i> 00968232	<i>Indian Companies:</i> Nil <i>Foreign Companies:</i> Nil
Aman Tandon <i>Designation:</i> Managing Director <i>Date of birth:</i> September 3, 1974 <i>Age:</i> 51 years <i>Address:</i> House No. 75, Sector 7, Panchkula Sector 8 - 134 109, Haryana, India <i>Occupation:</i> Business <i>Current term:</i> For a period of five years with effect from April 16, 2021 ⁽²⁾ <i>Period of directorship:</i> Director since January 1, 2007 <i>DIN:</i> 02159395	<i>Indian Companies:</i> 1. Pritika Auto Industries Limited 2. Pritika Engineering Components Limited <i>Foreign Companies:</i> Nil

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other directorships
Biresh Kumar Thakur <i>Designation:</i> Executive Director and Chief Executive Officer <i>Date of birth:</i> September 11, 1963 <i>Age:</i> 62 years <i>Address:</i> 1012, Sector 27, Panchkula – 134 112, Haryana, India <i>Occupation:</i> Service <i>Current term:</i> For a period of five years with effect from September 3, 2025, and liable to retire by rotation <i>Period of directorship:</i> Director since September 3, 2020 <i>DIN:</i> 06938954	<i>Indian Companies:</i> Nil <i>Foreign Companies:</i> Nil
Neha <i>Designation:</i> Independent Director <i>Date of birth:</i> March 8, 1982 <i>Age:</i> 43 years <i>Address:</i> H no – 04, Nehra Farm House, Kansal Enclave Road, Khuda Ali Sher, Chandigarh – 160011 <i>Occupation:</i> Professional <i>Current term:</i> For a period of five years with effect from September 29, 2025 <i>Period of directorship:</i> Director since September 29, 2025 <i>DIN:</i> 08109734	<i>Indian Companies:</i> 1. Meeta Castings Limited 2. Pritika Engineering Components Limited 3. Pritika Industries Limited <i>Foreign Companies:</i> Nil
Vivek Prakash <i>Designation:</i> Independent Director <i>Date of birth:</i> December 2, 1959 <i>Age:</i> 65 years <i>Address:</i> Apartment No 5A, Belgravia Tower C, 5 th Floor, Central Park 2 Resorts, Sector 48, South City – II, Gurgaon – 122018, Haryana <i>Occupation:</i> Retired <i>Current term:</i> For a period of five years with effect from September 29, 2025 <i>Period of directorship:</i> Director since September 29, 2025 <i>DIN:</i> 00257784	<i>Indian Companies:</i> Nil <i>Foreign Companies:</i> Nil

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other directorships
Yudhisthir Lal Madan <i>Designation:</i> Independent Director <i>Date of birth:</i> August 24, 1950 <i>Age:</i> 75 years <i>Address:</i> Flat No 1101, Tower 10, Vipul Belmonte, Sector 53, Nathupur (67), Gurgaon – 122002, Haryana <i>Occupation:</i> Retired <i>Current term:</i> For a period of five years with effect from September 29, 2025 <i>Period of directorship:</i> Director since September 29, 2025 <i>DIN:</i> 05123237	<i>Indian Companies:</i> Nil <i>Foreign Companies:</i> Nil

* The Form 32 along with challan with respect to the initial appointment of Ashok Kumar Tandon is not traceable. Shirin Bhatt & Associates, Practicing Company Secretaries, appointed by our Company, conducted an independent inspection, including physical search for the Form 32, as maintained at the RoC. Pursuant to their inspection and independent verification of the documents available with/ maintained by our Company, the RoC, and by way of their search report dated November 6, 2025, they have confirmed the unavailability of the Form 32. See “Risk Factors - Certain of our corporate records and filings with the RoC are not traceable or were delayed in filing or were inaccurate. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard” on page 55.

⁽¹⁾ Pursuant to a resolution of our Board and Shareholders dated October 7, 2025, and October 29, 2025, respectively, Ashok Kumar Tandon has been re-appointed as the Chairman-cum-Executive Director of our Company for further term of five years with effect from April 16, 2026 and liable to retire by rotation.

⁽²⁾ Pursuant to a resolution of our Board and Shareholders dated October 7, 2025, and October 29, 2025, respectively, Aman Tandon has been re-appointed as the Managing Director of our Company for further term of five years with effect from April 16, 2026.

Brief profiles of our Directors

Ashok Kumar Tandon is the Chairman-cum-Executive Director on the Board of our Company. He holds a bachelor’s degree in mechanical engineering from Birla Institute of Technology, Ranchi University and a master’s degree in engineering administration from University of Utah. He has approximately 43 years of experience in the auto components sector. He has previously been associated with Eicher Goodearth Limited, Zodiac Auto Industries (Nigeria) Ltd., and Harig India Private Limited. He is responsible for providing guidance in formulating our long-term business strategies and policies and has been pivotal in steering our growth and development.

Aman Tandon is the Managing Director on the Board of our Company. He completed his senior secondary education from DAV College under the Central Board of Secondary Education and completed third semester in bachelor of engineering (Aeronautical) from Punjab University. He has approximately 27 years of experience in the auto components sector. He is responsible for overseeing the day-to-day operations of our Company and providing guidance on our strategy, business development and customer relationships.

Biresh Kumar Thakur is an Executive Director and Chief Executive Officer on the Board of our Company. He holds a diploma in mechanical engineering from Punjab State Board of Technical Education. He has also completed a graduate course in project management methods from Universitas 21 Global, Singapore and the program on low cost automation for India (IDAU) from the Association for Overseas Technical Scholarship (AOTS), Japan. He has approximately 30 years of experience in the auto components sector. He has previously been associated with GNA Duraparts Private Limited, Fairbanks Morse India Limited, Amtek India Limited, Birla Yamaha Limited, Kamla Dials and Devices Limited and Shiv Shakti Engineering Co. Private Limited. He was awarded the six sigma black belt certification by the Automotive Component Manufacturers Association of India (Northern Region).

Neha is an Independent Director on the Board of our Company. She holds a bachelor’s degree in arts from Maharshi Dayanand University, Rohtak and a bachelor’s degree in law from Kurukshetra University. She is enrolled as an advocate of the Bar Council of Punjab & Haryana since 2005 and has an experience of approximately 14 years in the field of law. She currently serves as an independent director on the board of directors of Meeta Casting Limited, Pritika Engineering Components Limited and Pritika Industries Limited.

Vivek Prakash is an Independent Director on the Board of our Company. He holds a bachelor's degree in mechanical engineering from University of Roorkee and has completed the executive program on quality management, general orientation course and technical training course in the field of welding, painting, production, control, stamping and inspection from the Association for Overseas Technical Scholarship (AOTS), Japan. He has approximately 10 years of experience in the auto components sector. He has previously served as the president cum chief executive officer with Graziano Trasmissioni India Private Limited and was also associated with Eicher Goodearth Limited.

Yudhisthir Lal Madan is an Independent Director on the Board of our Company. He holds a bachelor's and master's degree in science and a master's degree in business administration from University of Delhi. He is a certified associate of the Indian Institute of Bankers and has an experience in the banking sector. He is currently a member of the rating committee with Infomercials Valuation and Rating Pvt. Ltd. He was previously associated with Indian Overseas Bank and Canara Bank.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

Further, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Relationships between our Directors and the Key Managerial Personnel or Senior Management

Except for Ashok Kumar Tandon who is the father of Aman Tandon, none of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing powers

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a resolution of our Board dated September 20, 2025 and the Shareholders resolution dated September 29, 2025, our Board is authorised to borrow up to an amount of ₹5,000.00 million, in excess of the aggregate of the paid up capital, free reserves and securities premium account of our Company, apart from the temporary loans availed by the Company in the ordinary course of business.

Terms of appointment of our Directors

a) Terms of employment of our Executive Directors

Ashok Kumar Tandon, Chairman-cum-Executive Director

Ashok Kumar Tandon was the first director of our Company. He was designated as the Chairman-cum-Executive Director pursuant to a resolution of our Board and Shareholders each dated April 16, 2016. He was re-appointed as the Chairman-cum-Executive Director of our Company for a period of five years with effect from April 16, 2021, pursuant a resolution of our Board dated April 12, 2021. The details of the remuneration that Ashok Kumar Tandon is currently entitled to and the other terms of his employment in accordance with the resolution of our Board dated October 7, 2025, and the Shareholders resolution dated October 29, 2025, are enumerated below:

Sr. No.	Category	Particulars
1.	Basic Salary and	Up to ₹1.50 million

Sr. No.	Category	Particulars
	personal allowance (per month)	
2.	Perquisites and allowances	Car with driver, employees provident fund contribution, gratuity, comprehensive medical insurance coverage, personal accident policy, superannuation or annuity fund, encashment of leave & other benefits in addition to the remuneration and in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company policies. Further, performance based incentive (variable pay) as may be recommended by the nomination and remuneration committee and approved by the Board every financial year.

Aman Tandon, Managing Director

Aman Tandon was initially appointed as a director of our Company pursuant to a resolution of our Board and Shareholders dated January 1, 2007. He was appointed as the Managing Director of our Company pursuant to a resolution of our Board dated March 20, 2016, and pursuant to the approval of our Shareholders in the extra-ordinary general meeting dated April 16, 2016. He was re-appointed as the Managing Director of our Company for a period of five years pursuant a resolution of our Board dated April 12, 2021, and pursuant to the approval of our Shareholders in the extra-ordinary general meeting dated May 20, 2021. The details of the remuneration that Aman Tandon is currently entitled to and the other terms of his employment in accordance with the resolution of our Board dated October 7, 2025, and the Shareholders resolution dated October 29, 2025, are enumerated below:

Sr. No.	Category	Particulars
1.	Basic Salary and personal allowance (per month)	Up to ₹1.50 million
2.	Perquisites and allowances	Car with driver, employees provident fund contribution, gratuity, comprehensive medical insurance coverage, personal accident policy, superannuation or annuity fund, encashment of leave & other benefits in addition to the remuneration and in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company policies. Further, performance based incentive (variable pay) as may be recommended by the nomination and remuneration committee and approved by the Board every financial year.

Biresh Kumar Thakur, Executive Director and Chief Executive Officer

Biresh Kumar Thakur was initially appointed as an additional director of our Company pursuant a resolution of our Board dated September 3, 2020, and pursuant to the approval of our Shareholders in the extra-ordinary general meeting dated December 30, 2020, he was regularized as director of our Company and appointed as an Executive Director. He was appointed as the Chief Executive Officer of our Company pursuant a resolution of our Board dated July 1, 2025. He was re-appointed as the Executive Director of our Company for a period of five years with effect from September 3, 2025, and liable to retire by rotation pursuant to a resolution of our Board dated September 2, 2025. He receives remuneration from our Company in accordance with the employment letters dated September 1, 2023, and July 2, 2025, entered into by our Company with him and the resolution of our Board dated October 7, 2025, and the Shareholders resolution dated October 29, 2025. The details of the remuneration that Biresh Kumar Thakur is currently entitled to and the other terms of his employment are enumerated below:

Sr. No.	Category	Particulars
1.	Basic Salary (per month)	Up to ₹1.50 million
2.	Perquisites and allowances	House rent allowance, car with driver, communication allowance, employees provident fund contribution, gratuity, comprehensive medical insurance coverage, personal accident policy, superannuation or annuity fund, encashment of leave. Further, performance based incentive (variable pay) / bonus as may be determined by the nomination and remuneration committee and the Board every financial year & other benefits in addition to the remuneration and in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company policies.

b) Sitting fees and commission to Independent Directors

Pursuant to a resolution of our Board dated September 20, 2025, the Shareholders' resolution dated September 29, 2025, and the respective appointment letters dated October 1, 2025, our Independent Directors are entitled to receive sitting fees of ₹0.03 million for attending each meeting of our Board and ₹0.02 million for attending each meeting of the committees constituted by the Board.

Our Company has not entered into any contract appointing or fixing the remuneration of a Director, Managing Director, Executive Director, or manager in the two years preceding the date of this Draft Red Herring Prospectus.

Payments or benefits to our Directors

a) Executive Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our Executive Directors for Fiscal 2025:

S. No.	Name of the Executive Director	Remuneration for Fiscal 2025 (in ₹ million)
1.	Ashok Kumar Tandon	8.16
2.	Aman Tandon	8.16
3.	Biresk Kumar Thakur	8.50

b) Independent Directors

Our Independent Directors, Neha, Vivek Prakash and Yudhisthir Lal Madan were appointed in Fiscal 2026 and therefore, were not entitled to any sitting fees or commission in Fiscal 2025.

Remuneration paid or payable to our Directors by subsidiary and/or associate company

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries or associate companies.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares of face value of ₹2 each	Percentage of the pre-Offer paid up share capital (%)	Percentage of the post-Offer paid up share capital (%) [*]
Ashok Kumar Tandon	52,497,000	58.33	[●]
Aman Tandon	14,993,400	16.66	[●]

^{*}Subject to finalisation of Basis of Allotment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. For further details, see "Other Financial Information – Related Party Transactions" on page 366.

Our Directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. For further details regarding the shareholding of our Directors, see “– *Shareholding of Directors in our Company*” on page 290.

Our Managing Director, Aman Tandon, may also be deemed to be interested to the extent of loan granted by him to our Company in Fiscal 2025. For further details, see “*Other Financial Information – Related Party Transactions*” on page 366. Further, our Chairman-cum-Executive Director, Ashok Kumar Tandon and our Managing Director, Aman Tandon may also be deemed to be interested to the extent of loans granted by them to our Company in Fiscal 2026.

Further, our Directors are also directors on the boards, or are shareholders, trustees of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details, see “*Other Financial Information – Related Party Transactions*” on page 366.

Except to the extent of any proceeds received pursuant to the sale of the Offered Shares proposed to be sold in the Offer by Ashok Kumar Tandon and Aman Tandon, there is no material existing or anticipated transaction whereby any of our Directors will receive any portion of the proceeds from the Offer.

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Directors.

Interest in promotion of our Company

As on the date of this Draft Red Herring Prospectus, except for Ashok Kumar Tandon and Aman Tandon, who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company. For further details, see “*Our Promoters and Promoter Group*” on page 305.

Interest in land and property

Our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Loans to Directors

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Other confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce such Director to become or to help such Director qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Except as stated in “*Financial Statements – Restated Financial Information – Note 34 – Related Party Disclosures*” on page 341, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors, Key Managerial Personnel or members of Senior Management.

None of our Directors have been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Directors in the last three years:

Name	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
Biresh Kumar Thakur	Executive Director and Chief Executive Officer	September 2, 2025	Re-appointment as executive director with effect from September 3, 2025
Neha	Independent Director	September 29, 2025	Appointment as Independent Director
Vivek Prakash	Independent Director	September 29, 2025	Appointment as Independent Director
Yudhisthir Lal Madan	Independent Director	September 29, 2025	Appointment as Independent Director
Ashok Kumar Tandon	Chairman-cum-Executive Director	October 29, 2025	Re-appointment as Chairman-cum-Executive Director with effect from April 16, 2026
Aman Tandon	Managing Director	October 29, 2025	Re-appointment as Managing Director with effect from April 16, 2026

Corporate governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, 2013, in respect of corporate governance including those pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors including one woman Independent Director.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of our Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

For purposes of the Offer, our Board has also constituted an IPO Committee.

(a) Audit Committee

The Audit Committee was constituted by our Board through its resolution dated September 30, 2025. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

The members of the Audit Committee are:

Name of Director	Designation	Position in the Committee
Yudhisthir Lal Madan	Independent Director	Chairperson
Vivek Prakash	Independent Director	Member
Neha	Independent Director	Member
Aman Tandon	Managing Director	Member

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

- The Audit Committee shall have powers, which should include the following:
 - To investigate any activity within its terms of reference;

- (b) To seek information from any employee of the Company any associate, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee from such employees;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required; and to approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offer of the equity shares of the Company; and
 - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
- (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
 - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications / modified opinion(s) in the draft audit report.
 - (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - (f) 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 utilised 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use / application of the funds raised through the proposed initial public offer by the Company and related matters;
 - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

- (i) Approval or any subsequent material 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 such conditions as may be prescribed under the SEBI Listing Regulations and Companies Act. Provided that only those members of the committee, who are independent directors, shall approve related party transactions;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
- (p) approving the key performance indicators for disclosure in its offering documents;
- (q) 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;
- (r) Discussion with internal auditors of any significant findings and follow up there on;
- (s) 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;
- (t) 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;
- (u) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (v) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (w) Reviewing the functioning of the whistle blower mechanism;
- (x) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (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;
- (y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (z) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances in appropriate and exception cases;

- (aa) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (bb) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
- (cc) Carrying out any other functions and roles as required to be carried out by the Audit Committee as may be decided by the Board as per the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
- (c) Internal audit reports relating to internal control weaknesses;
- (d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (e) Statement of deviations in terms of the SEBI Listing Regulations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditors of the Company, in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- (f) Quarterly statement of variation for public issue, rights issue and preferential issue indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds and the actual utilisation of funds, before the submission to stock exchange(s); and
- (g) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.”
- (iv) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- (v) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The Audit Committee is required to meet at least four times in a financial year and not more than one hundred and twenty days shall elapse between two consecutive meetings in compliance with Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by our Board through its resolution dated September 30, 2025. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Designation	Position in the Committee
Yudhisthir Lal Madan	Independent Director	Chairperson
Neha	Independent Director	Member

Name of Director	Designation	Position in the Committee
Vivek Prakash	Independent Director	Member

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that

- (i) 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;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) 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.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) 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:
- (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (d) Devising a policy on Board diversity;
- (e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (f) Analysing, monitoring and reviewing various human resource and compensation matters;
- (g) 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;
- (h) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (j) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (l) Administering, monitoring and formulating the employee stock option scheme / plan / stock appreciation rights plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("Scheme"), including the following:

- (i) Determining the eligibility of employees to participate under the Scheme;
- (ii) Determining the quantum of option to be granted under the Scheme per employee and in aggregate;
- (iii) Date of grant;
- (iv) Determining the exercise price of the option under the Scheme;
- (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- (x) The grant, vest and exercise of option in case of employees who are on long leave;
- (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
- (xii) The procedure for funding the exercise of options;
- (xiii) The procedure for cashless exercise of options;
- (xiv) Forfeiture / cancellation of options granted;
- (xv) Formulate the procedure for buy-back of specified securities issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
 - permissible sources of financing for buy-back;
 - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - limits upon quantum of specified securities that the Company may buy-back in a financial year.
- (xvi) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action. For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (m) Construing and interpreting the Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Scheme;
- (n) Framing 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, as amended;
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
 - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- by the Company and its employees, as applicable;
- (o) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
 - (p) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
 - (q) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Nomination and Remuneration Committee is required to meet at least once in a financial year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board through its resolution dated September 30, 2025. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of Director	Designation	Position in the Committee
Yudhisthir Lal Madan	Independent Director	Chairperson
Neha	Independent Director	Member
Biresh Kumar Thakur	Executive Director and Chief Executive Officer	Member
Aman Tandon	Managing Director	Member

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (a) redressal of all security holders' and investors' grievances such as complaints related to transfer / transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer / transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, issue of new / duplicate certificates, non-receipt of declared dividends, non-receipt of annual reports, general meetings etc., and assisting with quarterly reporting of such complaints;
- (b) reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) giving effect to all transfer / transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate / consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) reviewing the 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;

- (f) reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (g) considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- (h) formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (i) to approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board from time to time;
- (j) to monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
- (k) to further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s);
- (l) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority; and
- (m) such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations

The Stakeholders' Relationship Committee is required to meet at least once in a financial year under Regulation 20(3A) of the SEBI Listing Regulations.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board through its resolution dated April 25, 2016, and was last reconstituted by our Board through its resolution dated September 30, 2025. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Designation	Position in the Committee
Aman Tandon	Managing Director	Chairperson
Biresh Kumar Thakur	Executive Director and Chief Executive Officer	Member
Neha	Independent Director	Member
Yudhisthir Lal Madan	Independent Director	Member

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. Its terms of reference are as follows:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder, each as amended, and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two-percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the corporate social responsibility policy, which shall include the following, namely:

- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
- (ii) the manner of execution of such projects or programmes as specified in Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the implementation of 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 recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- (e) Identifying and appointing the corporate social responsibility team of the Company and delegate responsibilities to such team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred or perform such responsibilities as may be required by the corporate social responsibility committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, to the extent applicable; and
- (i) Such terms of reference as may be prescribed under Section 135 of the Companies Act.

(e) Risk Management Committee

The Risk Management Committee was constituted by our Board through its resolution dated September 30, 2025. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The current constitution of the Risk Management Committee is as follows:

Name of Director	Designation	Position in the Committee
Aman Tandon	Managing Director	Chairperson
Biresh Kumar Thakur	Executive Director and Chief Executive Officer	Member
Neha	Independent Director	Member
Yudhisthir Lal Madan	Independent Director	Member
Vivek Prakash	Independent Director	Member

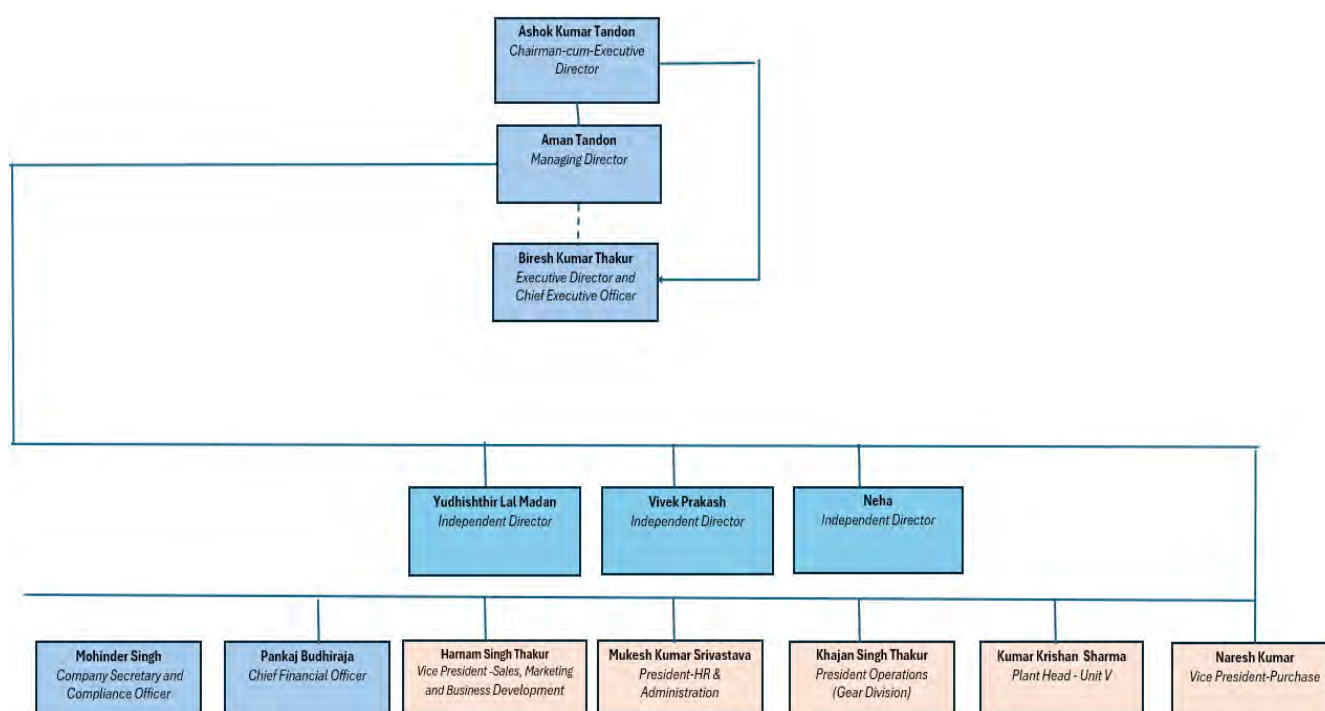
The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following:

- (i) To formulate a detailed risk management policy which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the committee;
 - measures for risk mitigation including systems and processes for internal control of identified risks; and
 - business continuity plan.

- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To review and recommend potential risk involved in any new business plans and processes;
- (iv) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (v) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (vi) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vii) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- (viii) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (ix) To consider the effectiveness of decision making process in crisis and emergency situations;
- (x) To balance risks and opportunities;
- (xi) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (xii) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (xiii) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- (xiv) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (xv) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security, as may be delegated by the Board; and
- (xvi) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Risk Management Committee is required to meet at least twice in a financial year under Regulation 21(3A) of the SEBI Listing Regulations.

Management organization chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Ashok Kumar Tandon, the Chairman-cum-Executive Director, Aman Tandon, the Managing Director and Biresh Kumar Thakur, the Executive Director and Chief Executive Officer of our Company, whose details are provided in “– *Brief profiles of our Directors*” on page 287, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Pankaj Budhiraja is the Chief Financial Officer of our Company. He has been associated with our Company since May 21, 2022, and was appointed as the Chief Financial Officer with effect from July 1, 2025. In our Company, he handles finance and accounts. He has passed a bachelor of commerce course from Kurukshetra University, Kurukshetra and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning. He also holds a master of commerce degree from Kurukshetra University, Kurukshetra. He has approximately 13 years of experience in finance and accounts. Before his association with our Company, he has previously served as the Assistant Manager (Accounts) with Modern Dairies Limited, the Accounts Executive with Punjab Tissue Limited and the Corp Finance Head with Modern Automotives Limited, and has handled functions such as finance and accounts. The remuneration paid to him in Fiscal 2025 was ₹2.15 million in lieu of his previous role as the general manager finance/accounts in our Company.

Mohinder Singh is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since August 4, 2025. In our Company, he handles secretarial and compliance related functions. He holds a bachelor of commerce degree from Kurukshetra University and is an associate member of the Institute of Company Secretaries of India. He has approximately 14 years of experience in the secretarial and legal compliance sector. Before his association with our Company, he has previously served as the assistant manager – finance with Surya Pharmaceutical Limited, company secretary with Stylam Industries Limited, assistant manager (secretarial) with Ind-Swift Laboratories, company secretary and compliance officer with JTL Industries Limited, company secretary with Surani Steel Tubes Limited and has handled financial and secretarial functions. He has not received any remuneration in Fiscal 2025 since he was appointed on August 4, 2025.

Senior Management

In addition to Pankaj Budhiraja, the Chief Financial Officer of our Company and Mohinder Singh, the Company Secretary and Compliance Officer of our Company whose details are provided in “– *Key Managerial Personnel*” on page 302, the details of our Senior Management, as on the date of this Draft Red Herring Prospectus, are as set forth below:

Harnam Singh Thakur is the Vice President – Sales, Marketing and Business Development of our Company. He has been associated with our Company since March 1, 2010. In our Company, he handles sales, marketing and business development. He holds a diploma in mechanical engineering from Government Polytechnic, Hamirpur. He has approximately 36 years of experience in sales, marketing and business development. Before his association with our Company, he has previously served as the senior engineer at Eicher Demm, manager (production) at Emmbros Metals Private Limited, and deputy general manager (Manufacturing Head) at Raja Forgings & Gear Limited, and has handled functions such as manufacturing, production and engineering. The remuneration paid to him in Fiscal 2025 was ₹4.14 million.

Mukesh Kumar Srivastava is the President – HR & Administration of our Company. He has been associated with our Company since March 5, 2022. In our Company, he handles human resource and administration functions. He holds a bachelor's degree and master's degree in commerce from Kanpur University and a post graduate diploma in industrial relations and personnel management from Institute of Productivity and Management, Kanpur. He has approximately 41 years of experience in industrial relations, human resource and administration. Before his association with our Company, he has previously been associated with Kwaliti Steels & Engineering Works, Esslon Synthetics Limited, Pasupati Acrylon Limited and Vardhman Special Steels Limited and has handled functions such as industrial relations, human resource and administration. The remuneration paid to him in Fiscal 2025 was ₹5.40 million.

Khajan Singh Thakur is the President Operations (Gear Division) of our Company. He has been associated with our Company since January 1, 2015. In our Company, he handles operations in the gear division. He holds a diploma in mechanical engineering from Haryana Polytechnic, Nilokheri. He has approximately 34 years of experience in manufacturing and operations. Before his association with our Company, he has previously served as the senior manager manufacturing at Eichers Tractors & Transmission, general manager – operations at Escorts Limited, plant head at Raja

Forging & Gears Limited, chief operating officer of the Jamalpur plant at Guru Nanak Auto Enterprises Limited and vice president – operations (SBU – head) at Micro Turners, and has handled functions such as manufacturing and operations. The remuneration paid to him in Fiscal 2025 was ₹4.98 million.

Kumar Krishan Sharma is the Plant Head – Unit V of our Company. He was associated with our Company since November 1, 2001, and retired with effect from June 30, 2025. Subsequently, he was appointed on a retainer basis with effect from July 1, 2025. In our Company, he provides support to our manufacturing facility at Unit V to meet routine assignments. He holds a bachelor’s degree in technology from Punjab Technical University and a diploma in mechanical engineering from Central Polytechnic, Chandigarh. He has approximately 35 years of experience in cost, quality, maintenance, and productivity related functions. Before his association with our Company, he has previously served as an engineer at Eicher Demm. The remuneration paid to him in Fiscal 2025 was ₹3.47 million.

Naresh Kumar is the Vice President - Purchase of our Company. He has been associated with our Company since May 1, 2005. In our Company, he handles purchase related operations. He completed matriculation from National Open School, New Delhi. He has approximately 38 years of experience in engineering. Before his association with our Company, he has previously served as an engineer at Eicher Demm. The remuneration paid to him in Fiscal 2025 was ₹3.89 million.

Relationships among Key Managerial Personnel, Senior Management and Directors

Except for Ashok Kumar Tandon who is the father of Aman Tandon, none of our Key Managerial Personnel or the Senior Management are related to each other or to the Directors of our Company.

Arrangements or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel or our Senior Management have been appointed pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel or the Senior Management in last three years

Except as mentioned below, there have been no changes in the Key Managerial Personnel or Senior Management during the last three years:

Name	Date of change	Reason
Kumar Krishan Sharma	June 30, 2025	Retirement
Kumar Krishan Sharma	July 1, 2025	Appointment as Plant Head – Unit V on a retainer basis
Biresh Kumar Thakur	July 1, 2025	Appointment as the chief executive officer
Pankaj Budhiraja	July 1, 2025	Appointment as the Chief Financial Officer
Kapil Bhalla	August 4, 2025	Resignation as company secretary due to personal reasons
Mohinder Singh	August 4, 2025	Appointment as the company secretary
Mohinder Singh	September 30, 2025	Appointment as the Company Secretary and Compliance Officer

Status of Key Managerial Personnel and Senior Management

Except for Kumar Krishan Sharma, as on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Service contracts, and retirement or termination benefits

Other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, our Key Managerial Personnel or Senior Management is entitled to any benefits upon termination of employment, including under any service contract with our Company.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed under “– *Shareholding of Directors in our Company*” on page 290, none of our other Key Managerial Personnel and the Senior Management hold any Equity Shares in our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and members of Senior Management for Fiscal 2025, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Our Company has no profit-sharing plan in which the Key Managerial Personnel and the Senior Management participate.

Our Company makes bonus payments to our Key Managerial Personnel or the Senior Management, in accordance with their terms of appointment.

Interest of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and the Senior Management are interested in our Company to the extent of the remuneration (including any variable pay or sales-linked incentives), or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

None of our Key Managerial Personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Key Managerial Personnel and Senior Management.

Employee stock option plan

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

Payment or benefit to officers of our Company (non-salary related)

No non-salary related amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officer of the Company, including our Directors, Key Managerial Personnel and Senior Management.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Ashok Kumar Tandon and Aman Tandon.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 67,490,400 Equity Shares of face value of ₹2 each, equivalent to 74.99% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis. For details, please see “*Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group and Selling Shareholders - Equity Shareholding of the Promoters*” on page 105.

Details of our Promoters are as follows:

1. Ashok Kumar Tandon



Ashok Kumar Tandon, aged 79 years, born on March 26, 1946, is one of our Promoters and is also the Chairman-cum-Executive Director on our Board. For the complete profile of Ashok Kumar Tandon along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see “*Our Management – Board of Directors*” on page 285.

His permanent account number is AAHPT2698E.

As on date of this Draft Red Herring Prospectus, Ashok Kumar Tandon holds 52,497,000 Equity Shares of face value of ₹2 each, representing 58.33% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis.

2. Aman Tandon



Aman Tandon, aged 51 years, born on September 3, 1974, is one of our Promoters and is also the Managing Director on our Board. For the complete profile of Aman Tandon along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see “*Our Management – Board of Directors*” on page 285.

His permanent account number is AAHPT2699F.

As on date of this Draft Red Herring Prospectus, Aman Tandon holds 14,993,400 Equity Shares of face value of ₹2 each, representing 16.66% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis.

Other than as disclosed in this section under “- *Entities forming part of the promoter Group*” on page 307 and in “*Our Management – Board of Directors*” on page 285, our Promoters are not involved in any other ventures.

Our Company confirms that the permanent account numbers, bank account numbers, Aadhaar card numbers, driving license numbers and passport numbers of the Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they are the Promoters of our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company, and the shareholding of their relatives in our Company. For details of the shareholding of our Promoters in our Company, see “*Capital Structure*” beginning on page 100.

Our Promoters may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses payable to them as Directors on our Board and Key Managerial Personnel of our Company. For further details, see “*Our Management*” beginning on page 285.

Our Promoter, Aman Tandon, may also be deemed to be interested to the extent of loan granted by him to our Company in Fiscal 2025. For further details, see “*Other Financial Information – Related Party Transactions*” on page 366.

Our Promoters, Ashok Kumar Tandon and Aman Tandon, may also be deemed to be interested to the extent of loan granted by them to our Company in Fiscal 2026.

None of our Promoters have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in a venture that is involved in any activities similar to those conducted by our Company.

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Promoters or members of the Promoter Group.

Companies or firms from which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus:

Payment or Benefits to Promoters or members of Promoter Group

Except as disclosed herein and as stated in “*Other Financial Information – Related Party Transactions*” at page 366, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

In addition to our Promoters, the individuals that form a part of the Promoter Group, are as follows:

S. No.	Name of Promoter	Name of Promoter Group Member	Relationship with Promoter (as defined under the Companies Act, 2013)
1.	Ashok Kumar Tandon	Aradhna Tandon	Spouse
		Aman Tandon	Son
		Amit Tandon	Son
		Usha Tandon	Sister
		Geetika Saigal	Sister
		Neerja Seth	Sister
		Shashi Das	Sister
		Asha Mehrotra	Spouse's sister
2.	Aman Tandon	Aradhna Tandon	Mother
		Ashok Kumar Tandon	Father
		Amit Tandon	Brother
		Rajni Tandon	Spouse
		Anirudh Tandon	Son
		Arjun Tandon	Son
		Ankush Aggarwal	Spouse's brother
		Rangoli Aggarwal	Spouse's sister
		Diksha Vasishta	Spouse's sister

Entities forming part of the Promoter Group

In addition to our Promoter, the entities forming part of our Promoter Group, are as follows:

1. Chhoti Si Asha
2. Chhoti Si Asha Foundation
3. Das Garage Private Limited
4. Del Mar Designs, Inc
5. KL Saigal Nursing Home (Sole proprietorship)
6. Northern MindTech LLP
7. Northern Planet LLC
8. Polycycl Private Limited
9. T.R. Autowheels Private Limited

DIVIDEND POLICY

Our Board of Directors, pursuant to a resolution dated September 30, 2025, have adopted a dividend distribution policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on number of internal and external factors. Some of the internal factors on the basis of which our Company may declare dividend shall inter alia include, among others, expected cash requirements of our Company towards working capital, capital expenditure in technology and infrastructure etc, investments required towards execution of our Company's strategy, funds required for any acquisitions that the Board may approve, any share buy-back plans, minimum cash required for contingencies or unforeseen events, funds required to service any outstanding loans, liquidity and return ratios and any other significant developments that require cash investments. The external factors on the basis of which our Company may declare the dividend shall inter alia include any significant changes in macro-economic environment affecting India or the geographies in which our Company operates, or the business of our Company or its clients, any political, tax and regulatory changes in the geographies in which our Company operates, any significant change in the business or technological environment resulting in our Company making significant investments to effect the necessary changes to its business model and any changes in the competitive environment requiring significant investment. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 401. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on Equity Shares during the three months period ended June 30, 2025, Fiscal 2025, Fiscal 2024, Fiscal 2023 and until the date of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as revenues, profits, cash flows, financial conditions and capital requirements of our Company and regulatory requirements. For details in relation to the risk involved, see "*Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.*" on page 75.

SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors

Milestone Gears Limited (formerly known as Milestone Gears Private Limited)

Dear Sirs,

1. We have examined the attached restated financial information of Milestone Gears Limited (formerly known as Milestone Gears Private Limited) (the "Company" or the "Issuer") comprising the restated statement of assets and liabilities as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023, the restated statements of profit and loss (including other comprehensive income), restated statement of cash flows and the restated statement of changes in equity, for the three months period ended 30 June 2025 and for the years ended 31 March 2025, 31 March 2024 and 31 March 2023, the material accounting policies, and other explanatory notes (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 12 November 2025 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer of equity shares of face value of INR. 2 each, comprising a fresh issue of equity and an offer for sale of equity shares held by the selling shareholders ("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") (along with the rules framed therein) ;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
 - 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"); and.
 - d) E-mail dated May 20, 2024 received from Book Running Lead Managers ("BRLMs"), which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Communication").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (the "Stock Exchanges") in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 to the Restated Financial Information. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

3. We have examined these Restated 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 4 August 2025 in connection with the proposed IPO of equity shares of the Company;
- 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 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 Financial Information have been compiled by the management from:

- a) the audited special purpose interim financial statements of the Company as at and for the three months period ended 30 June 2025 prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India ("Special Purpose Interim Financial Statements"), which have been approved by the Board of Directors at their meeting held on 20 September 2025;
- b) the audited financial statements of the Company as at and for the year ended 31 March 2025, prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India ("Ind AS Financial Statements"), which have been approved by the Board of Directors at their meetings held on 20 September 2025.
- c) the audited special purpose financial statements of the Company as at and for the years ended 31 March 2024, and 31 March 2023 prepared as a special purpose financial statements on the basis as described in Note 2.1 to the Restated Financial Information and in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India ("Special Purpose Financial Statements"), which have been approved by the Board of Directors at their meetings held on 20 September 2025.

5. For the purpose of our examination, we have relied on:

- a) auditor's report issued by us dated 20 September 2025 on the Special Purpose Interim Financial Statements of the Company as at and for the three months period ended 30 June 2025 as referred in paragraph 4 (a) above.
- b) auditor's report issued by us dated 20 September 2025 on the IND AS Financial Statements of the Company as at and for the year ended 31 March 2025 as referred in p 4 (b) above.
- c) separate auditor's reports issued by us dated 20 September 2025, on the Special Purpose Financial Statements of the Company as at and for the years ended 31 March 2024, and 31 March 2023 respectively as referred in paragraph 4 (c) above.

These auditor's report includes the following emphasis of matter paragraph (also refer Note 45 of the Restated Financial Information).

- i) Auditor's report issued on the Special Purpose Interim Financial Statements of the Company as at and for the three months period ended 30 June 2025:

We draw attention to Note 2.1 to the Special Purpose Interim Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Interim Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Interim Financial Statements may not be suitable for any another purpose. The Special Purpose Interim 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 financial information 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.

- ii) Auditor's report issued on the Ind AS Financial Statements of the company as at and for year ended 31 March 2025:

Transition to Ind AS during the year ended 31 March 2025:

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as the net worth of the company exceeded INR 250 crores in the previous year.

The Company's financial statements upto and for the year ended 31 March 2024 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006.

Year ended 31 March 2025 was the Company's first financial year which was prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards had been applied. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, which was the previous GAAP. An explanation of how the transition to Ind AS had impacted the previously reported financial position, financial performance and cash flow of the Company is provided in Note 41 of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

- iii) Auditor's report issued on the Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2024:

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Financial Statements may not be suitable for any another purpose. The Special Purpose 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 financial information 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.

- iv) Auditor's report issued on the Special Purpose Financial Statements of the Company as at and for the year ended 31 March 2023:

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Financial Statements may not be suitable for any another purpose. The Special Purpose 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 financial information 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.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
- a. have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the financial years ended 31 March 2025, 31 March 2024 and 31 March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended 30 June 2025;
 - b. does not contain any modification requiring adjustments. Moreover, matters in the Auditor's report including Other Legal and Regulatory Requirements relating to key qualifications or adverse remarks in our report on the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Note 45 to the Restated Financial Information; and
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to 30 June 2025. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to 30 June 2025.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the date of the reports on the audited Ind AS Financial Statements, Special Purpose Financial Statements and Special Purpose Interim Financial Statements mentioned in paragraph 5 above.
10. 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.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number : 004315N

Anil Khanna

Proprietor

M.No. 083275

UDIN: 25083275BMGYQF2651

Place: Kalka

Date: 12 November 2025

Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)
CIN : U74110HP1984PLC005831
Restated Statement of Assets and Liabilities
(All amounts are in ₹ in millions, unless otherwise stated)

Particulars	Notes	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ASSETS					
Non-current assets					
Property, plant and equipment	3	1,503.16	1,576.91	1,402.27	1,408.59
Right-of-use assets	38	364.64	339.91	214.24	210.72
Capital work-in-progress	4	417.33	325.02	487.14	225.69
Intangible assets	5	102.95	62.34	3.33	3.53
Intangible assets under development	6	282.54	285.70	-	-
Financial assets					
i. Investments	7	36.70	36.70	32.61	30.58
ii. Other financial assets	8	123.82	114.93	91.71	54.00
Deferred tax assets (net)	29	86.71	81.13	74.65	69.98
Non current tax assets (net)	9	7.27	7.27	9.38	7.23
Other non-current assets	10	47.28	101.99	118.16	178.63
Total non-current assets		2,972.40	2,931.90	2,433.49	2,188.95
Current assets					
Inventories	11	1,722.87	1,669.12	1,326.71	1,346.10
Financial assets					
i. Trade receivables	12	1,710.08	1,436.24	1,378.04	1,618.41
ii. Cash and cash equivalents	13	0.39	0.39	0.26	8.19
iii Other financial assets	8	0.14	0.07	-	0.18
Other current assets	10	112.49	138.99	77.57	216.23
Total current assets		3,545.97	3,244.81	2,782.58	3,189.11
Total assets		6,518.37	6,176.71	5,216.07	5,378.06
EQUITY AND LIABILITIES					
Equity					
Equity share capital	14	30.00	30.00	30.00	30.00
Other equity	15	1,325.68	1,232.64	1,010.98	937.44
Total equity		1,355.68	1,262.64	1,040.98	967.44
Liabilities					
Non-current liabilities					
Financial liabilities					
i. Borrowings	16	771.75	854.31	1,027.02	1,291.99
ii. Lease liabilities	38	268.73	257.46	156.65	163.66
Provisions	19	20.06	17.18	10.47	17.34
Total non-current liabilities		1,060.54	1,128.95	1,194.14	1,472.99
Current liabilities					
Financial liabilities					
i. Borrowings	16	3,054.06	2,873.26	2,125.43	1,876.44
ii. Lease liabilities	38	111.68	98.14	58.05	46.27
iii. Trade payables					
total outstanding dues of micro enterprises and small enterprises	17	23.19	22.47	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	17	814.30	734.96	732.99	954.22
iv. Other financial liabilities	18	47.51	32.61	37.32	32.90
Other current liabilities	20	30.10	15.57	23.05	17.92
Provisions	19	6.02	4.30	4.11	4.07
Current tax liabilities (net)	21	15.29	3.81	-	5.81
Total current liabilities		4,102.15	3,785.12	2,980.95	2,937.63
Total liabilities		5,162.69	4,914.07	4,175.09	4,410.62
Total equity and liabilities		6,518.37	6,176.71	5,216.07	5,378.06

The accompanying material accounting policies and other explanatory notes form an integral part of the Restated Financial Information.

As per our report of even date attached
For J.R.Khanna & Co.
Chartered Accountants
Firm registration number : 004315N

For and on behalf of the Board of directors of
Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)

Anil Khanna
Proprietor

M No.083275
UDIN: 25083275BMGYQF2651
Place : Kalka
Date : 12 November 2025

Ashok Kumar Tandon
Chairman-cum-Executive Director
DIN : 00968232

Place : Kalka
Date : 12 November 2025

Aman Tandon
Managing Director
DIN: 02159395

Place : Kalka
Date : 12 November 2025

Pankaj Budhiraja
Chief Financial Officer

Place : Kalka
Date : 12 November 2025

Mohinder Singh
Company Secretary

M No. A21857
Place : Kalka
Date : 12 November 2025

Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)
CIN : U74110HP1984PLC005831
Restated Statement of Profit and Loss

(All amounts are in ₹ in millions, unless otherwise stated)

Particulars	Notes	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Income					
I. Revenue from operations	22	1,680.34	5,301.69	5,333.24	6,129.38
II Other income	23	4.90	167.20	26.69	27.04
III. Total income (I+II)		1,685.24	5,468.89	5,359.93	6,156.42
Expenses					
Cost of raw materials and components consumed	24 (a)	749.40	2,505.61	2,428.65	3,199.75
Changes in inventories of finished goods, work-in-progress and scrap	24 (b)	(33.76)	(326.19)	139.23	(380.82)
Employee benefits expense	25	142.05	528.59	567.29	551.03
Finance costs	26	81.56	292.13	268.63	228.26
Depreciation and amortization expense	27	110.09	405.44	333.44	354.84
Other expenses	28	509.88	1,797.83	1,519.14	2,018.15
IV. Total expenses		1,559.22	5,203.41	5,256.38	5,971.21
V. Restated Profit before tax (III-IV)		126.02	265.48	103.55	185.21
VI. Tax expense:					
Current tax	29	37.80	51.67	43.15	64.65
Tax for earlier year	29	-	-	-	(0.26)
Deferred tax	29	(5.39)	(6.83)	(6.80)	(19.83)
Total tax expense		32.41	44.84	36.35	44.56
VII. Restated Profit for the period/year (V-VI)		93.61	220.64	67.20	140.65
VIII. Restated Other comprehensive income/(loss)					
Item that will not to be reclassified subsequently to restated profit or loss					
-Re-measurement (loss)/gain of defined benefit plans		(0.76)	(2.72)	6.44	2.99
-Income tax relating to above items		0.19	0.68	(1.62)	(1.03)
Net other comprehensive (loss)/income, not to be reclassified subsequently to restated profit or loss		(0.57)	(2.04)	4.82	1.96
Items that will be reclassified subsequently to restated profit or loss					
-Net gain/(loss) on investment through Other Comprehensive Income		0.00	4.09	2.03	(2.48)
-Income tax relating to above items		(0.00)	(1.03)	(0.51)	0.85
Net other comprehensive income/(loss) to be reclassified subsequently to restated profit or loss		0.00	3.06	1.52	(1.63)
Restated other comprehensive income, net of tax		(0.57)	1.02	6.34	0.33
IX. Restated Total comprehensive income for the period/year (VII + VIII)		93.04	221.66	73.54	140.98
Restated Earning per equity share (EPS) of par value ₹ 2 each					
Basic (₹)	30	1.04	2.45	0.75	1.56
Diluted (₹)	30	1.04	2.45	0.75	1.56

The accompanying material accounting policies and other explanatory notes form an integral part of the Restated Financial Information.

As per our report of even date attached

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number : 004315N

For and on behalf of the Board of directors of

Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)
Anil Khanna

Proprietor

M No.083275

UDIN: 25083275BMGYQF2651

Place : Kalka

Date : 12 November 2025

Ashok Kumar Tandon

 Chairman-cum-Executive
Director

DIN : 00968232

Place : Kalka

Date : 12 November 2025

Aman Tandon

Managing Director

DIN: 02159395

Place : Kalka

Date : 12 November 2025

Pankaj Budhiraja

Chief Financial Officer

Place : Kalka

Date : 12 November 2025

Mohinder Singh

Company Secretary

M No. A21857

Place : Kalka

Date : 12 November 2025

Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)
CIN : U74110HP1984PLC005831
Restated Statement of Cash Flows
(All amounts are in ₹ in millions, unless otherwise stated)

Particulars	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
A. Cash flow from operating activities				
Restated Profit before tax	126.02	265.48	103.55	185.21
<i>Adjustments for:</i>				
Finance costs	81.27	291.07	266.34	224.91
Unrealized foreign exchange (gain)/loss	(2.21)	0.02	(7.83)	9.45
Interest income on fixed bank deposits	(1.08)	(2.24)	(2.96)	(1.01)
Loss/(gain) on disposal of property, plant and equipment and capital work-in-progress	0.01	(134.59)	(3.22)	(0.49)
Interest income on security deposits	(0.35)	(5.16)	(3.15)	(1.92)
Balance written off	-	-	0.31	1.24
Bad debts written off	9.25	-	13.51	45.84
Liabilities written back	(0.88)	(0.04)	-	(3.32)
Reversal of loss allowance for bad and doubtful debts	(0.44)	(7.64)	-	-
Loss allowance for bad and doubtful debts	-	-	5.80	19.99
Loss allowance for doubtful advances	-	8.89	-	-
Depreciation and amortization expenses	110.09	405.44	333.44	354.84
Operating cash flows before working capital changes	321.68	821.23	705.79	834.74
Working capital adjustments:				
(Increase)/Decrease in inventories	(53.75)	(342.41)	19.39	(367.85)
(Increase)/Decrease in trade receivables	(280.44)	(50.56)	220.75	(477.90)
Decrease/(Increase) in other assets	26.50	(69.40)	137.75	(216.23)
(Increase)/Decrease in other financial assets	(9.23)	(12.90)	(30.84)	252.08
Increase/(Decrease) in trade payables	80.96	24.46	(211.46)	374.17
Increase/(Decrease) in other current liabilities	14.53	(7.48)	5.13	(59.28)
Increase/(Decrease) in other financial liabilities	8.69	(0.58)	4.81	15.22
Increase/(Decrease) in provisions	3.84	4.18	(0.40)	(3.24)
Cash generated from operations	112.78	366.54	850.92	351.71
Income taxes paid (net)	(26.32)	(45.75)	(51.11)	(65.81)
Net cash flow from operating activities (A)	86.46	320.79	799.81	285.90
B. Cash flow from investing activities				
Payment for purchase of property, plant & equipment including capital work-in-progress (excluding borrowing cost)	(32.25)	(390.11)	(444.97)	(696.68)
Payment for purchase of intangible assets including intangible assets under development	(43.22)	(355.30)	(1.40)	(2.88)
Proceeds from sale of property, plant and equipment and capital work-in-progress	0.24	233.40	5.54	1.16
Investment in fixed bank deposits	-	-	(10.00)	-
Interest received	-	2.30	2.85	1.01
Net cash used in investing activities (B)	(75.23)	(509.71)	(447.98)	(697.39)
C. Cash flow from financing activities				
Proceeds from borrowings	238.64	1,145.07	447.47	1,171.98
Repayment of borrowings	(140.47)	(570.23)	(463.82)	(515.85)
Repayment of lease liability	(26.96)	(80.36)	(52.03)	(32.65)
Interest paid on lease liability	(8.54)	(26.65)	(20.01)	(14.92)
Interest paid	(73.90)	(278.78)	(271.37)	(194.58)
Net cash (used in)/from financing activities (C)	(11.23)	189.05	(359.76)	413.98
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	(0.00)	0.13	(7.93)	2.49
Cash and cash equivalents at the beginning of the period/year	0.39	0.26	8.19	5.70
Cash and cash equivalents at the end of the period/year	0.39	0.39	0.26	8.19
Components of cash and cash equivalents				
Cash on hand	0.38	0.38	0.25	0.66
Balances with banks:				
In Current accounts	0.01	0.01	0.01	7.53
Cash and cash equivalents at the end of the period/year (Refer Note 13)	0.39	0.39	0.26	8.19

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Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)

CIN : U74110HP1984PLC005831

Restated Statement of Cash Flows

(All amounts are in ₹ in millions, unless otherwise stated)

Notes :

1) The Restated statement of cash flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standard) Rules, 2015.

2) Changes in liabilities arising from financing activities:

	Opening balance as at 1 April 2025	Cashflows (net)	Other changes	Closing balance as at 30 June 2025
Borrowings	3,727.57	98.17	0.07	3,825.81
Lease liabilities	355.60	(35.50)	60.31	380.41

	Opening balance as at 1 April 2024	Cashflows (net)	Other changes	Closing balance as at 31 March 2025
Borrowings	3,152.45	574.84	0.28	3,727.57
Lease liabilities	214.70	(107.01)	247.91	355.60

	Opening balance as at 1 April 2023	Cashflows (net)	Other changes	Closing balance as at 31 March 2024
Borrowings	3,168.43	(16.35)	0.37	3,152.45
Lease liabilities	209.93	(72.04)	76.81	214.70

	Opening balance as at 1 April 2022	Cashflows (net)	Other changes	Closing balance as at 31 March 2023
Borrowings	2,511.73	656.13	0.57	3,168.43
Lease liabilities	110.82	(47.57)	146.68	209.93

The accompanying material accounting policies and other explanatory notes form an integral part of the Restated Financial Information.

As per our report of even date attached

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number : 004315N

For and on behalf of the Board of Directors of

Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)

Anil Khanna

Proprietor

M No.083275

UDIN: 25083275BMGYQF2651

Place : Kalka

Date : 12 November 2025

Ashok Kumar Tandon

Chairman-cum-Executive

Director

DIN : 00968232

Place : Kalka

Date : 12 November 2025

Aman Tandon

Managing Director

DIN: 02159395

Place : Kalka

Date : 12 November 2025

Pankaj Budhiraja

Chief Financial Officer

Place : Kalka

Date : 12 November 2025

Mohinder Singh

Company Secretary

M No. A21857

Place : Kalka

Date : 12 November 2025

A) Equity Share Capital

Particulars	Numbers	Amount
Balance as at 1 April 2022	30,00,000	30.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	30,00,000	30.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2024	30,00,000	30.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2025	30,00,000	30.00
Changes in equity share capital during the period	-	-
Balance as at 30 June 2025	30,00,000	30.00

B) Other Equity

Particulars	Reserve and Surplus		Total Equity
	Retained earnings	Equity instruments through Other Comprehensive Income	
Balance as at 1 April 2022	796.46	-	796.46
Restated Profit for the year	140.65	-	140.65
Restated Other comprehensive income/(loss) for the year	1.96	(1.63)	0.33
Balance as at 31 March 2023	939.07	(1.63)	937.44
Restated Profit for the year	67.20	-	67.20
Restated Other comprehensive income/(loss) for the year	4.82	1.52	6.34
Balance as at 31 March 2024	1,011.09	(0.11)	1,010.98
Restated Profit for the year	220.64	-	220.64
Restated Other comprehensive income/(loss) for the year	(2.04)	3.06	1.02
Balance as at 31 March 2025	1,229.69	2.95	1,232.64
Restated Profit for the period	93.61	-	93.61
Restated Other comprehensive income/(loss) for the period	(0.57)	-	(0.57)
Balance as at 30 June 2025	1,322.73	2.95	1,325.68

The accompanying material accounting policies and other explanatory notes form an integral part of the Restated Financial Information.

As per our report of even date attached

For and on behalf of the Board of Directors of
Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)

For J.R.Khanna & Co.

Chartered Accountants
Firm registration number : 004315N

Anil Khanna
Proprietor

M No.083275
UDIN: 25083275BMGYQF2651

Place : Kalka

Date : 12 November 2025

Ashok Kumar Tandon
Chairman-cum-Executive
Director

DIN : 00968232

Place : Kalka

Date : 12 November 2025

Aman Tandon
Managing Director

DIN: 02159395

Place : Kalka

Date : 12 November 2025

Pankaj Budhiraja
Chief Financial Officer

Place : Kalka

Date : 12 November 2025

Mohinder Singh
Company Secretary

M No. A21857

Place : Kalka

Date : 12 November 2025

3 Property, plant and equipment

	Freehold land	Leasehold land	Building	Office equipment	Factory equipment	Plant and machinery	Vehicle	Furniture and fixtures	Electric installation	Computers	Total
Gross Block											
Deemed cost as at 1 April 2022	173.78	0.20	73.13	2.30	40.20	913.90	12.85	5.16	34.93	4.40	1,260.85
Additions	-	-	18.77	2.30	12.00	374.85	7.14	4.47	3.13	3.50	426.16
Transfer from CWIP	-	-	-	-	-	34.20	-	-	-	-	34.20
Disposals	-	-	-	-	-	(1.10)	-	-	(0.08)	(0.10)	(1.28)
As at 31 March 2023	173.78	0.20	91.90	4.60	52.20	1,321.85	19.99	9.63	37.98	7.80	1,719.93
Additions	-	-	19.87	2.40	7.30	231.25	-	1.66	0.16	2.10	264.74
Transfer from CWIP	-	-	-	-	-	1.35	-	-	-	-	1.35
Disposals	-	-	-	-	-	(32.45)	(1.56)	-	-	-	(34.01)
As at 31 March 2024	173.78	0.20	111.77	7.00	59.50	1,522.00	18.43	11.29	38.14	9.90	1,952.01
Additions	-	-	1.43	2.07	24.95	72.55	9.36	0.93	10.40	1.89	123.58
Transfer from CWIP	-	-	-	-	-	378.14	-	-	-	-	378.14
Disposals	(14.90)	-	(2.77)	(0.26)	(2.28)	(17.46)	(3.88)	(0.25)	(0.47)	-	(42.27)
As at 31 March 2025	158.88	0.20	110.43	8.81	82.17	1,955.23	23.91	11.97	48.07	11.79	2,411.46
Additions	-	-	-	0.29	1.34	-	-	0.15	-	0.30	2.08
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(0.97)	-	-	-	(0.97)
As at 30 June 2025	158.88	0.20	110.43	9.10	83.51	1,955.23	22.94	12.12	48.07	12.09	2,412.57
Accumulated Depreciation and impairment											
As at 1 April 2022	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	6.95	1.50	21.60	262.55	4.62	1.80	9.53	3.40	311.95
Disposals	-	-	-	-	-	(0.50)	-	-	(0.01)	(0.10)	(0.61)
As at 31 March 2023	-	-	6.95	1.50	21.60	262.05	4.62	1.80	9.52	3.30	311.34
Depreciation charge for the year	-	-	9.25	1.80	14.30	228.19	4.34	2.29	6.72	3.20	270.09
Disposals	-	-	-	-	-	(30.40)	(1.29)	-	-	-	(31.69)
As at 31 March 2024	-	-	16.20	3.30	35.90	459.84	7.67	4.09	16.24	6.50	549.74
Depreciation charge for the year	-	-	8.64	2.01	12.64	268.15	3.13	1.97	5.76	2.26	304.56
Disposals	-	-	(0.78)	(0.23)	(1.68)	(14.35)	(2.03)	(0.24)	(0.44)	-	(19.75)
As at 31 March 2025	-	-	24.06	5.08	46.86	713.64	8.77	5.82	21.56	8.76	834.55
Depreciation charge for the period	-	-	1.92	0.37	3.59	66.42	1.07	0.39	1.47	0.36	75.59
Disposals	-	-	-	-	-	-	(0.73)	-	-	-	(0.73)
As at 30 June 2025	-	-	25.98	5.45	50.45	780.06	9.11	6.21	23.03	9.12	909.41
Net carrying amount											
As at 31 March 2023	173.78	0.20	84.95	3.10	30.60	1,059.80	15.37	7.83	28.46	4.50	1,408.59
As at 31 March 2024	173.78	0.20	95.57	3.70	23.60	1,062.16	10.76	7.20	21.90	3.40	1,402.27
As at 31 March 2025	158.88	0.20	86.37	3.73	35.31	1,241.59	15.14	6.15	26.51	3.03	1,576.91
As at 30 June 2025	158.88	0.20	84.45	3.65	33.06	1,175.17	13.83	5.91	25.04	2.97	1,503.16

Notes:

(i) On transition to Ind AS (i.e. 1 April 2022), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(ii) Property plant and equipment are subject to charge, to secure the Company’s borrowings as disclosed in Note 16.

(iii) During the year ended 31 March, 2025, the Company experienced a fire incident on 10 September, 2024, at unit no 4 at Barotiwala (Himachal Pradesh) resulting in the loss of certain items of Property, Plant and Equipment. In accordance with Ind AS 16 - Property, Plant and Equipment, the Company has derecognised the carrying amount of the damaged assets to the tune of ₹ 2.53 million.

(iv) Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(v) There are no impairment losses recognised during each reporting year / period.

4 Capital work-in-progress

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the period/year	325.02	487.14	225.69	126.90
Addition	92.31	292.32	262.80	132.99
Disposal	-	(76.30)	-	-
Transferred to property, plant and equipment	-	(378.14)	(1.35)	(34.20)
Balance at the end of the period/year	417.33	325.02	487.14	225.69

Capital work-in-progress (CWIP) Ageing Schedule**As at 30 June 2025**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	282.78	70.13	63.72	-	416.63
Projects temporarily suspended	-	-	-	0.70	0.70

As at 31 March 2025

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	207.48	69.18	47.66	-	324.32
Projects temporarily suspended	-	-	-	0.70	0.70

As at 31 March 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	313.54	80.20	16.40	-	410.14
Projects temporarily suspended	-	-	-	77.00	77.00

As at 31 March 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	131.20	21.80	-	-	153.00
Projects temporarily suspended	-	-	-	72.69	72.69

- (i) There are no project whose completion is overdue or has exceeded its cost compared to its original plan as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023.
- (ii) Borrowing costs:- The amount of borrowing costs capitalised in capital work-in-progress during the period ended 30 June 2025: ₹ 3.75 millions , year ended 31 March 2025 : ₹ 11.89 millions , 31 March 2024 : ₹ 23.1 millions and 31 March 2023: ₹ 2.76 millions.

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5 Intangible assets

	Product development cost	Software	Total
Deemed cost as at 1 April 2022	-	4.00	4.00
Additions	-	1.68	1.68
As at 31 March 2023	-	5.68	5.68
Additions	-	1.40	1.40
As at 31 March 2024	-	7.08	7.08
Additions	69.53	0.07	69.60
As at 31 March 2025	69.53	7.15	76.68
Additions	46.37	-	46.37
As at 30 June 2025	115.90	7.15	123.05
Accumulated amortization			
As at 1 April 2022	-	-	-
Amortization charge for the year	-	2.15	2.15
As at 31 March 2023	-	2.15	2.15
Amortization charge for the year	-	1.60	1.60
As at 31 March 2024	-	3.75	3.75
Amortization charge for the year	9.37	1.22	10.59
As at 31 March 2025	9.37	4.97	14.34
Amortization charge for the period	5.57	0.19	5.76
As at 30 June 2025	14.94	5.16	20.10
Net carrying amount			
As at 31 March 2023	-	3.53	3.53
As at 31 March 2024	-	3.33	3.33
As at 31 March 2025	60.16	2.18	62.34
As at 30 June 2025	100.96	1.99	102.95

Notes:

- On transition to Ind AS (i.e. 1 April 2022), the Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.
- No Intangible assets are pledged as security by the Company.

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6 Intangible assets under development

Deemed cost as at 1 April 2022	-
Additions	-
As at 31 March 2023	-
Additions	-
As at 31 March 2024	-
Additions	355.23
Capitalized during the year	(69.53)
As at 31 March 2025	285.70
Additions	43.21
Capitalized during the period	(46.37)
As at 30 June 2025	282.54

Intangible assets under development (IAUD) ageing schedule

As at 30 June 2025

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	282.54	-	-	-	282.54

As at 31 March 2025

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	285.70	-	-	-	285.70

As at 31 March 2024

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

As at 31 March 2023

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

Note:

(i) There are no project whose completion is overdue or has exceeded its cost compared to its original plan as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023.

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7 Investments

Non-current investments

Investments carried at fair value through Other Comprehensive Income (FVTOCI)

Investments in preference shares- Unquoted

6,850 (31 March 2025: 6,850, 31 March 2024: 6,850, 31 March 2023: 6,850) 0.0001% compulsory convertible preference shares of Polycycl Private Limited (Face value ₹ 10 each (31 March 2025: ₹ 10 each, 31 March 2024: ₹ 10 each, 31 March 2023: ₹ 10 each)) (refer note (i))

Other Investments-Unquoted

Investment in Kotak Alternate Opportunity (India) Fund

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
35.83	35.83	32.30	30.49
0.87	0.87	0.31	0.09
36.70	36.70	32.61	30.58

Notes:-

(i) The company had invested in 6,850 0.0001% compulsory convertible preference shares of Polycycl Private Limited. The charge during the period ended 30 June 2025, year ended 31 March 2025, 31 March 2024 and 31 March 2023 represents fair value change. These investments are designated as FVTOCI as they are not held for trading purpose.

8 Other financial assets

Non- Current

At amortized cost

Unsecured, considered good

Fixed bank deposits (refer note iii)

Interest accrued on fixed bank deposits (refer note iv)

Security deposits

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
70.48	70.48	10.00	-
1.02	0.04	0.11	-
52.32	44.41	81.60	54.00
123.82	114.93	91.71	54.00

Current

At amortized cost

Unsecured, considered good

Receivables from related party

Other receivables

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
-	-	-	0.18
0.14	0.07	-	-
0.14	0.07	-	0.18

Notes:

(i) There are no deposits due from directors or other officers of the Company either severally or jointly with any other person. Nor any deposits are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

(ii) Refer note 16 for charge created on current assests as security against borrowings.

(iii) During the FY 2024-25, security deposits paid to TATA capital for lease financing of plant & machinery amounting to ₹ 67.98 million has been converted into fixed bank deposits. There is a lien on these fixed deposits in favor of TATA capital. Further, during FY 2024-25, a bank guarantee in the form of fixed bank deposits amounting to ₹ 2.50 million has been given to Adani Indian Oil for gas pipeline connection. Though the remaining maturity of these fixed bank deposits are less than 12 months, however due to restrictions of access to these funds the same has been classified as non-current.

(iv) Interest accrued on fixed bank deposits pertains to above fixed bank deposits on which there is a lien from the bank. Hence, the same has been shown as non-current due to restriction of access of these interest amount.

9 Non-current tax assets (net)

Advance tax/TDS deducted (net of provision for income tax)

Income tax refund receivable*

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
-	-	2.11	-
7.27	7.27	7.27	7.23
7.27	7.27	9.38	7.23

* Income Tax refund receivable includes TDS deducted or advance income tax paid for the AY 2016-17 till AY 2023-24 for which refund is pending from income tax department on account of rectification after the favorable appellate effects.

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10 Other assets**Non current**

Capital advances

Amount paid under protest

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
47.28	101.99	117.25	178.63
-	-	0.91	-
47.28	101.99	118.16	178.63

Current

Balance with government authorities

Export incentives

Advance given to employees

Prepaid expenses

Advances to suppliers

Less: Loss allowance for doubtful advances

Others (refer note (ii))

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
46.08	64.68	44.35	140.01
6.88	11.74	5.75	11.96
3.67	1.69	0.79	1.10
15.40	14.26	4.45	3.85
49.35	55.51	19.85	59.31
(8.89)	(8.89)	-	-
-	-	2.38	-
112.49	138.99	77.57	216.23

Notes:

(i) Refer note 16 for charge created on current assests as security against borrowings.

(ii) Others represents excess of contribution in gratuity fund invested with Life Insurance Corporation of India (LIC) over present obligation of gratuity for the year (refer note 39).

11 Inventories (at the lower of cost and net realizable value)

Raw materials

Work-in-progress

Finished goods

Packing material

Stores and spares

Scraps

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
322.80	321.63	251.77	300.78
687.90	688.06	522.48	540.02
385.45	351.76	191.51	319.08
2.84	1.85	12.32	4.01
309.22	291.39	334.56	174.02
14.66	14.43	14.07	8.19
1,722.87	1,669.12	1,326.71	1,346.10

Notes:

(i) Refer note 16 for charge created on inventories as security against borrowings.

(ii) During the period ended 30 June 2025: ₹ Nil (year ended 31 March 2025: ₹ Nil, 31 March 2024: ₹ Nil and 31 March 2023: ₹ Nil) was recognized as an expense for inventories carried at net realizable value.

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12 Trade receivables

Carried at amortized cost

Trade receivables (unsecured, considered good)

Less: Impairment allowance (allowance for bad and doubtful debts) (Unsecured, considered good)

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
1732.47	1459.07	1408.51	1643.08
(22.39)	(22.83)	(30.47)	(24.67)
1,710.08	1,436.24	1,378.04	1,618.41

Trade receivables ageing as at 30 June 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due ⁽ⁱⁱ⁾	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed – considered good	1,086.69	607.65	17.49	19.44	1.20	-	1,732.47
Total	1,086.69	607.65	17.49	19.44	1.20	-	1,732.47

Trade receivables ageing as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due ⁽ⁱⁱ⁾	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed – considered good	965.42	454.00	13.25	15.48	4.26	6.66	1,459.07
Total	965.42	454.00	13.25	15.48	4.26	6.66	1,459.07

Trade receivables ageing as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due ⁽ⁱⁱ⁾	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed – considered good	903.23	459.58	28.59	13.26	3.20	0.65	1,408.51
Total	903.23	459.58	28.59	13.26	3.20	0.65	1,408.51

Trade receivables ageing as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due ⁽ⁱⁱ⁾	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed – considered good	1059.85	560.25	18.42	3.69	0.87	-	1,643.08
Total	1,059.85	560.25	18.42	3.69	0.87	-	1,643.08

Notes:-

- (i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in Note 34.
- (ii) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.
- (iii) Refer note 16 for charge created on current assets as security against borrowings.
- (iv) The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in Note 37 (B).
- (v) There are no unbilled receivables, hence the same is not disclosed in ageing schedule.
- (vi) As at 30 June 2025, trade receivables include ₹ 0.32 millions (31 March 2025: ₹ Nil, 31 March 2024: ₹ 5.54 millions, 31 March 2023: ₹ 6.14 millions) due from related parties.

13 Cash and cash equivalents

Cash on hand
Balances with banks
- in Current accounts
Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
0.38	0.38	0.25	0.66
0.01	0.01	0.01	7.53
0.39	0.39	0.26	8.19

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash on hand
Balances with banks
- in Current accounts
Total

0.38	0.38	0.25	0.66
0.01	0.01	0.01	7.53
0.39	0.39	0.26	8.19

14 Equity share capital

Authorized share capital

3,000,000 (31 March 2025: 3,000,000, 31 March 2024: 3,000,000, 31 March 2023: 3,000,000) equity shares of ₹ 10 each

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
30.00	30.00	30.00	30.00

Issued, subscribed and fully paid up share capital

3,000,000 (31 March 2025: 3,000,000, 31 March 2024: 3,000,000, 31 March 2023: 3,000,000) equity shares of ₹ 10 each

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
30.00	30.00	30.00	30.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period/year

	As at 30 June 2025		As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the beginning of the period/year	30,00,000	30.00	30,00,000	30.00	30,00,000	30.00	30,00,000	30.00
Issue of equity share capital	-	-	-	-	-	-	-	-
At the end of the period/year	30,00,000	30.00	30,00,000	30.00	30,00,000	30.00	30,00,000	30.00

(b) Terms/ rights attached to shares

Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. There is no restriction on distribution of dividend. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 30 June 2025		As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of ₹ each fully paid up								
Ashok Kumar Tandon	17,49,900	58.33%	17,49,900	58.33%	17,49,900	58.33%	17,49,900	58.33%
Aradhna Tandon	2,50,250	8.34%	2,50,250	8.34%	2,50,250	8.34%	2,50,250	8.34%
Aman Tandon	4,99,780	16.66%	4,99,880	16.66%	4,99,880	16.66%	4,99,780	16.66%
Amit Tandon	2,49,770	8.33%	2,49,770	8.33%	2,49,770	8.33%	2,49,770	8.33%
Gagandeep Kaur Chawla	2,50,100	8.34%	2,50,100	8.34%	2,50,100	8.34%	2,50,100	8.34%
	29,99,800	99.99%	29,99,900	100.00%	29,99,900	100.00%	29,99,800	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.

No bonus shares, fresh equity shares issued for consideration other than cash and buy backs have been made by the Company in the previous five years immediately preceding the reporting year.

(d) Details of shares held by the promoters:

Shares held by promoters as at 30 June 2025

Promoter name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% holding	% Change during the period
Ashok Kumar Tandon	17,49,900	-	17,49,900	58.33%	-
Aman Tandon	4,99,880	(100)	4,99,780	16.66%	(0.00)
Total	22,49,780	(100)	22,49,680	75.00%	(0.00)

Shares held by promoters as at 31 March 2025

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% holding	% Change during the year
Ashok Kumar Tandon	17,49,900	-	17,49,900	58.33%	-
Aman Tandon	4,99,880	-	4,99,880	16.66%	-
Total	22,49,780	-	22,49,780	75.00%	-

Shares held by promoters as at 31 March 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% holding	% Change during the year
Ashok Kumar Tandon	17,49,900	-	17,49,900	58.33%	-
Aman Tandon	4,99,780	100	4,99,880	16.66%	0.0%
Total	22,49,680	100	22,49,780	75.00%	0.0

Shares held by promoters as at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% holding	% Change during the year
Ashok Kumar Tandon	17,49,900	-	17,49,900	58.33%	-
Aman Tandon	4,99,780	-	4,99,780	16.66%	-
Total	22,49,680	-	22,49,680	74.99%	-

15 Other equity

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Retained earnings	1,322.73	1,229.69	1,011.09	939.07
Other comprehensive income	-	-	-	-
Other reserve	2.95	2.95	(0.11)	(1.63)
Total Other equity	1,325.68	1,232.64	1,010.98	937.44

Movement of reserves:

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(A) Retained earnings				
Opening balance	1,229.69	1,011.09	939.07	796.46
Restated profit for the period/year	93.61	220.64	67.20	140.65
Transferred from other comprehensive income/ (loss) (net of taxes)	(0.57)	(2.04)	4.82	1.96
Closing balance	1,322.73	1,229.69	1,011.09	939.07
(B) Other comprehensive income				
Remeasurement of post employment benefit obligation				
Opening balance	-	-	-	-
Remeasurement (loss)/gain of post employment benefit plan	(0.57)	(2.04)	4.82	1.96
Transferred to retained earnings	0.57	2.04	(4.82)	(1.96)
Closing balance	-	-	-	-
(C) Other reserve				
Equity instruments through other comprehensive income				
Opening balance	2.95	(0.11)	(1.63)	-
Changes during the period/year (net of taxes)	0.00	3.06	1.52	(1.63)
Closing balance	2.95	2.95	(0.11)	(1.63)
Total other equity (A+B+C)	1,325.68	1,232.64	1,010.98	937.44

Nature and purpose of reserves**a) Retained earnings**

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

b) Other reserves

Other reserves primarily comprise the cumulative net change in fair value of investments in mutual funds and preference shares that are designated at fair value through Other Comprehensive Income (FVOCI). These amounts will be reclassified to retained earnings upon disposal/realization of the respective investments.

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(v) HDFC Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 139.2 millions - Gross Outstanding Loan of ₹ 99.21 millions as on 30 June 2025 (31 March 2025 : ₹ 108.05 millions, 31 March 2024: ₹ 140.23 millions, 31 March 2023: ₹ 140.06 millions) - Term Loan under ECGLS, extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Rate of Interest : 1Y MCLR(9.25%) Repayable in 6 years including 2 year of moratorium period.
(vi) HDFC Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 156 millions - Gross Outstanding Loan of ₹ 29.33 millions as on 30 June 2025 (31 March 2025 : ₹ 39.11 millions, 31 March 2024: ₹ 78.22 millions, 31 March 2023: ₹ 117.33 millions) - Term Loan under ECGLS, extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the Bank.	Rate of Interest : 1Y MCLR + "Spread" p.a. Repayable in 5 years including 1 year of moratorium period.
(vii) SBI Bank Term Loan - ₹ 80 millions - Gross Outstanding Loan of ₹ 3.22 millions as on 30 June 2025 (31 March 2025 : ₹ 7.99 millions, 31 March 2024: ₹ 27.40 millions, 31 March 2023: ₹ 46.74 millions) - The company has been sanctioned as Open Term Loan of Rs 80 Mn for purchase of plant and machinery (estimated cost of Project is 11.00 cr) for which Hypothecation of fixed assets (plant and machinery) purchased out of OTL of Rs 80 millions is made. - Hypothecation & First Pari Passu Charge with ICICI Bank on Plant and machinery and Other Fixed Assets situated at Unit VIII Barotiwala - Equitable mortgage and 1st pari passu with ICICI Bank on Factory land and building measuring 07 bigha 16 biswas situated at K/K no 107/147, KH no 457/338/7/1,458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV). - Equitable mortgage and 2nd charge on Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi ; Factory land and building measuring 2210.00 mtr situated at Plot 8 Village Barotiwala, Baddi. ; Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. - Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank. - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of interest - 3M MCRL + 1% Repayable in 5 years including 10 months moratorium period.
(viii) SBI Bank Term Loan ₹ 100 millions - Gross Outstanding Loan of ₹ 17.00 millions as on 30 June 2025 (31 March 2025 : ₹ 20.61 millions, 31 March 2024: ₹ 35.27 millions , 31 March 2023: ₹ 49.76 millions) - Hypothecation of proposed Fixed Assets (P&M) purchased out of Bank Finance of ₹ 100 millions Hypothecation & pari passu 1st charge on Plant & Machinery & other Fixed assets situated at unit 8, Barotiwala, with ICICI Bank - Equitable mortgage and 1st charge on Factory land and building measuring 07 bighas 16 biswas situated at K/K no 107/147, KH no 457/338/7/1,458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV). - Equitable mortgage and 2nd charge Factory land and Building measuring 3 Bigha 7 Biswa situated at Unit 4, Barotiwala ; E/m & 2nd charge on Factory land and Building measuring 2210 Sq. Meters Biswa situated at Plot No. 8 , Barotiwala Baddi ; E/m and 2nd charge on Factory land and Building measuring 1 Bigha 17 Biswa, situated at Barotiwala ; Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank and ICICI Bank with 1st charge with Yes Bank ; - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : 1Y MCLR+1% p.a. Repayable in 8 years including 1 year of moratorium period.
(ix) SBI Bank Term Loan ₹ 100 millions - Gross Outstanding Loan of ₹ 53.10 millions as on 30 June 2025 (31 March 2025 : ₹ 56.88 millions, 31 March 2024: ₹ 73.55 millions , 31 March 2023: ₹ 90.87 millions) - Hypothecation of plant and machinery, All parts of plant and machinery purchased from New Term Loan of ₹ 100 millions to be installed at Unit No. 4 & Unit No. 8 - Hypothecation & pari passu 1st charge with Plant & Machinery 1 st pari-passu charge with ICICI Bank on plant & machine & fixed assets situated at unit 8, Barotiwala valuing ₹ 72.8 millions ; Factory land and Building measuring ₹ 488.04 millions bearing survey no (Plot No. 58, situated at plot no 58, Sector 1, Parwanoo ; Factory land and building measuring 07 Bigha 16 Biswas situated at KK no. 107/147, KH no. 457/338/7/1,458/338/7/2 & 339/7 Village Barotiwala Baddi . - Equitable mortgage and 2nd charge Factory land and Building measuring 3 Bigha 7 Biswa situated at Unit 4, Barotiwala ; Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank and ICICI Bank, 1st charge is with SIDBI ; E/m & 2nd charge on Factory land and Building measuring 2210 Sq. Meters Biswa situated at Plot No. 8 , Barotiwala ; E/m and 2nd charge on Factory land and Building measuring 1 Bigha 17 Biswa, situated at Barotiwala. - Personal Guarantee of Sh. Ashok Kumar Tandon and Sh. Aman Tandon.	Rate of Interest : 6M MCLR+1% p.a. Repayable in 7 years including 1 year of moratorium period.
(x) SBI Bank Term Loan ₹ 160 millions - Gross Outstanding Loan of ₹ Nil as on 30 June 2025 (31 March 2025 : ₹ Nil, 31 March 2024: ₹ Nil , 31 March 2023: ₹ 17.76 millions) - First charge on Plant & Machinery & MFA of the Company. - 2nd Charge on all the Movable Assets including P&M and MFA (except in Unit VIII) with SIDBI; Pari Passu 1st charge with Canara Bank/HDFC Bank on the immovable property i.e.. Plot No. 58 having total area measuring 488.84 sq. trs at Industrial Area Parwaanoo Distt Solan HP (Pari Passu 1st charge with Canara Bank/HDFC Bank (For CC & TL). - 2nd charge on the Plot No. 8 having total area measuring 2210 sq mtr at Industrial Area Barotiwala Dist. Solan HP ; land measuring 3 Bighas & 7 Biswas (Unit IV of Milestone Gears Pvt. Ltd.) at village Barotiwala. Khasra No.- 97/13.417/6,418/6, District Solan, H.R (2nd charge) ; 2nd charge on the land measuring 01 Bighas & 17 Biswas (Unit - VII of Milestone Gears Pvt Ltd.) at village Barotiwala, Khasra No.-463/391/3, District Solan. H.P. (2nd charge) 1st charge is with SIDBI Pari Passu charge is with Canara Bank/ HDFC Bank (For CC and TL). - Equitable Mortgage of Immovable Property measuring 07 Bighas 16 Biswas at village Brotiwala, Khata No. 107/147,Khasra no. 458/338/7/2/3-15,339/7/4-0 and khata no. 128/168. khasra no.457/338/7/1/0-2. Dist. Solan ,Himachal Prdesh , (For TL) ; Charge on Plant & Machinery & Fixed Assets situated at Unit- 8,Barotiwala. Hypothecation of Fixed Assets (For TL) - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : CRA Rating .i.e. 4.70% above the base rate Repayable in 6 years .
(xi) SBI Bank Term Loan ₹ 270 millions - Gross Outstanding Loan of ₹ 203.99 millions as on 30 June 2025 (31 March 2025 : ₹ 209.99 millions, 31 March 2024: ₹ 241.78 millions, 31 March 2023: ₹ 262.38 millions) - Hypothecation of Fixed Assets (Plant & Machinery) purchased out of Bank Finance of ₹ 270 millions for the machinery installed at Unit VIII. E/m and First pari passu with ICICI Bank on Factory land and building measuring 07 bigha 16 biswas situated at K/K no 107/147, KH no 457/338/7/1,458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV). - Hypothecation & 1st Pari Passu with ICICI Bank on Plant and machinery: I pari passu charge with ICICI Bank on plant and machinery & other fixed assets situated at unit VIII Barotiwala. - Additional Collateral Security Sharing 1st Pari Passu charge with HDFC Bank over additional collateral security i.e. Unit VI Factory Land & Building situated at Ludhiana brought in to cover the fresh TL Exposure - Equitable Mortgage and 2nd charge over Factory Land & Building measuring 3bighas situated at Barotiwala Baddi ; Factory Land & Building measuring 2210 sq. mtrs situated Plot No. 8 Village Barotiwala Baddi ; Factory Land & Building measuring 01 Bighas 7 biswas situated Village Barotiwala Baddi. - Hypothecation and 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank. - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon	Rate of Interest : 3M MCLR+1% p.a. Repayable in 7 years after moratorium of 9 months.

(xii) SBI Bank (Guarantee Emergency Credit Line) - ₹ 58 millions - Gross Outstanding Loan of ₹ 9.68 millions as on 30 June 2025 (31 March 2025 : ₹ 13.23 millions, 31 March 2024: ₹ 27.75 millions, 31 March 2023: ₹ 42.61 millions) - GECL facility is secured by NCGTC cover and along with that GECL facility has second charge on all existing First Charge Primary and Collateral Securities. -Equitable mortgage and 2nd charge Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi. ; Factory land and building measuring 2210.00 mtr situated at Plot 8 Village Barotiwala, Baddi. ; Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. -Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with YES Bank. -Personal Guarantees of Ashok Kumar Tandon and Aman Tandon	Rate of Interest : 6M MCLR+1% p.a. Repayable in 5 years including 1 year of moratorium period.
(xiii) SBI Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 104.5 millions - Gross Outstanding Loan of ₹ 61.40 millions as on 30 June 2025 (31 March 2025 : ₹ 67.47 millions, 31 March 2024: ₹ 93.61 millions, 31 March 2023: ₹ 105.30 millions) - GECL facility is secured by NCGTC cover and along with that GECL facility has second charge on all existing First Charge Primary and Collateral Securities. -Equitable mortgage and 2nd charge Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi. ; Factory land and building measuring 2210.00 mtr situated at Plot 8 Village Barotiwala, Baddi. ; Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. -Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with YES Bank. -Personal Guarantees of Ashok Kumar Tandon and Aman Tandon	Rate of Interest : 6M MCLR+1% p.a. Repayable in 6 years including 2 year of moratorium period.
(xiv) YES Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 50 millions - Gross Outstanding Loan of ₹ 9.45 millions as on 30 June 2025 (31 March 2025 : ₹ 12.60 millions, 31 March 2024: ₹ 25.20 millions, 31 March 2023: ₹ 37.80 millions) - Term Loan under ECGLS, Second Charge on exiting Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Moveable Fixed Asset (Other MFA)* { *Other Moveable Fixed Asset includes all the Movable Fixed Assets except in unit 8 and specifically charged to Term Lenders for their Term Loan } ; Immoveable property plot no 58 , industrial area Sector 1 parwanoo (Unit 1) Solan Himanchal Pradesh ; Immoveable property situated at plot no 8 , industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13 , 417/6, 418/6 Village Barotiwala Baddi District Solan HP (Unit 4 -Old Shed), ; Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7) ; Immoveable property (Land and Building) situated at Rajgarh,Ludhiana (Unit 6) of the borrower - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.4% p.a. Max. of 9.25% Repayable in 5 years including 1 year of moratorium period.
(xv) YES Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 19 millions - Gross Outstanding Loan of ₹ 3.59 millions as on 30 June 2025 (31 March 2025 : ₹ 4.79 millions, 31 March 2024: ₹ 9.58 millions ,31 March 2023: ₹ 14.36 millions) - Term Loan under ECGLS, Second Charge on exiting Charge on All Current Asset (Both Present & Future). - Second charge on existing charge on Specific Moveable Fixed Asset including Plant & Machinery & other MFA (Except in unit 8 and specifically charged to SBI/ICICI Bank for their Term Loan & Movable Fixed Assets acquired out of TL of INR 71.41 Mn from HDFC Bank) ; Way of Mortgage on the leasehold rights of Immoveable property situated at Plot no 58 , industrial area Sector 1 parwanoo (Unit 1) ; Immoveable property plot no 8 , industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13 , 417/6, 418/6 Village Barotiwala (Unit 4 -Old Shed) ; Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7) ; Immoveable property Land and Building situated at Rajgarh,Ludhiana (Unit 6) of the borrower. - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.6% p.a. Repayable in 5 years including 1 year of moratorium period.
(xvi) YES Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 46.1 millions - Gross Outstanding Loan of ₹ 31.03 millions as on 30 June 2025 (31 March 2025 : ₹ 33.94 millions, 31 March 2024: ₹ 45.58 millions, 31 March 2023: ₹ 46.55 millions) - Term Loan under ECGLS, Second Charge on exiting Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Moveable Fixed Asset (Other MFA)* { *Other Moveable Fixed Asset includes all the Movable Fixed Assets except in unit 8 and specifically charged to Term Lenders for their Term Loan } ; Immoveable property plot no 58 , industrial area Sector 1 parwanoo (Unit 1) Solan Himanchal Pradesh ; Immoveable property situated at plot no 8 , industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13 , 417/6, 418/6 Village Barotiwala Baddi District Solan HP (Unit 4 -Old Shed); Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7); Immoveable property (Land and Building) situated at Rajgarh,Ludhiana (Unit 6) of the borrower - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.3% p.a. Repayable in 6 years including 2 year of moratorium period.
(xvii) ICICI Bank Term Loan ₹ 100 millions - Gross Outstanding Loan of ₹ 16.00 millions as on 30 June 2025 (31 March 2025 : ₹ 19.60 millions, 31 March 2024: ₹ 33.99 millions, 31 March 2023: ₹ 48.39 millions) - Primary Security for Rupee Term Loan 3- Movable FA created out of disbursement of Term Loan (RTL-3). - Collateral for Rupee Term Loan 3-Industrial Property Unit 4- Unit IV Address- 7Bighas 16 Biswas at Barotiwala (HP) Khata No. 107/147, Khasra No. 458/338/7/2/3-15,339/7/4-0 and Khata No. 128/168, Khasra No. 457/338/7/1/0-2 ; Plant & Machinery And Fixed Assets at Unit 8 Barotiwala. - Collateral for Rupee Term Loan 3- Charge on Land & Building at Plot No. 8, Industrial Area Barotiwala Distt Solan (Unit No. 3), All Movable Assets including P&M and MFA (Except in Unit-8), Land measuring 01 Bighas & 17 Biswas (Unit- VII of Milestone Gears Pvt. Ltd.) at Village Barotiwala ; Land measuring 3 Bighas & 7 Biswas (Unit 4 Old Shed) at Village Barotiwala. - Unconditional & Irrevocable Personal/Corporate Guarantee of- Aman Tandon and Ashok Kumar Tandon	Rate of Interest : 1Y MCLR+"Spread" p.a. Repayable in 7 years

(xviii) ICICI Bank Term Loan ₹ 160 millions - Gross Outstanding Loan of ₹ Nil as on 30 June 2025 (31 March 2025 : ₹ Nil, 31 March 2024: ₹ Nil, 31 March 2023: ₹ 18.45 millions) - Primary Security (for Term Facilities)- Movable Fixed Asset (Charge on the Fixed Assets created out of disbursement of Term Loan from ICICI Bank) ; Hypothecation of the movable fixed assets including P&M & MFA (Except in UNIT VIII). - Collateral (for Term Loan)- Second Pari Passu (First Charge is with SIDBI & second charge to be shared with SBI) -E/M of the leasehold rights of the properties situated at Plot No. 8 Industrial Area Barotiwal Dis. Solan HP measuring 2210 Sq Mtrs. ; E/M of the Immovable Property at Khasra No. 463/391/3 Barotiwal Dis. measuring 1 Bighah 17 Biswas ; E/M of the Immovable Property measuring 3 bighas 7 biswas at khata no. 97/13, Khasra no. 417/6 418/6 at Barotiwal Dis. Solan ; 07 Bighas 16 Biswas at village Barotiwal Khata No. 107/147, Khasra No. 458/338/7/2/3-15,339/7/4-0 and khata no. 128/168 Khasra No 457/338/7/1/0-2, Distt. Solan HP. - Movable First Pari Passu Fixed, Charge Asset - First Pari Passu charge wih SBI on Plant & Machinery funded by the Bank at Unit No. 8 Barotiwal Dis. by the way of Hypothecation. - Personal Guarantee of Ashok Kumar Tandon and Aman Tandon.	Rate of Interest : 1Y MCLR+"Spread" p.a. Repayable in 7 years including 2 year of moratorium period.
(xix) Export Import Bank Term Loan ₹ 240 millions Gross Outstanding Loan of ₹ 220.04 millions as on 30 June 2025 (31 March 2025 : ₹ 226.56 millions, 31 March 2024: ₹ 31.50 millions, 31 March 2023: ₹ Nil) -Exclusive Charge by way of hypothecation of machineries financed out of EXIM BANK LOAN and Second Pari-Passu charge on the entire movable fixed assets (both present & future) other than those exclusively charged to other lenders including EXIM BANK. Personal Guarantee of Mr. Ashok Kumar Tandon & Mr. Aman Tandon	Interest-MCLR(1YR)+0.25% P.A. Repayment-60 Equal Monthly Instalment

Vehicle loan

(xx) Vehicle loans - Gross Outstanding Loan of ₹ 11.85 millions as on 30 June 2025 (31 March 2025 : ₹12.52 millions, 31 March 2024: ₹ 5.6 millions ,31 March 2023: ₹ 8.89 millions) - Vehicle loans is secured by hypothecation of respective vehicles.	Rate of Interest : 7.90%-9.10% Repayable in equated monthly instalments over 5- 7 year

Cash Credit

(xxi) HDFC Bank Cash Credit ₹ 800 millions - Gross Outstanding Loan of ₹ 833.73 millions (includes unpresented cheques amounting to ₹97.83 million) as on 30 June 2025 (31 March 2025 : ₹ 787.24 millions, 31 March 2024: ₹ 690.52 millions, 31 March 2023: ₹ 623.53 millions) - First Pari Passu by way of E/m leasehold right of factory land & building situated at Plot no. 58 having total area measuring 488.84 Sq. mts at Industrial area Parwanoo Distt. Solan (H.P.) in the name of Company. - Second Pari Passu Charge on Land & Building at Plot no. 8 having total area measuring 2210 Sq. mts at Industrial Area Barotiwal District Solan(H.P) ; Immovable property situated at Unit-VII at vill. Barotiwal Khasara no. 463/391/3, admeasuring 1 Bighas and 17 Biswas ; on immovable Fixed Assets (both present & future) of the company situated at Barotiwal Dist. Solan (H.P) bearing Khata No. 97/13, Khasa No. 417/6, (min 1-14), 418/6 (min 1-13) admeasuring 3 bighas 7 biswa including factory shed building and structure thereon (Unit-IV) ; - Second Pari Passu Charge on entrie MFA (Except Movable Assets of Unit VIII) - First Pari Passu charge by way of Hypothecation of Entire Current Assets of the company including the Stock, Work in Progress, Finished Goods, Stores & Spares, Packing Material, Receivables of the company arising out of the bonafide trade transactions. - Personal Guarantee of the promoter Ashok Kumar Tandon and Aman Tandon.	Rate of Interest : 8.60%
(xxii) SBI Bank Cash Credit ₹ 575 millions - Gross Outstanding Loan of ₹ 548.52 millions as on 30 June 2025 (31 March 2025 : ₹ 531.77 millions, 31 March 2024: ₹ 481.52 millions , 31 March 2023: ₹ 346.14 millions) - Parri Passu hypothecation of entire current assets of the firm, present & future, including all types of stock stores in the factory & godown at various places & receivables arising out of all bonafide transactions. - Parri passu first charge with HDFC, ICICI, YES and SBI Bank for aggregate FBWC Limits of ₹1900 millions. - E/m & 1st Pari Passu charge on leasehold right of factory land & building situated at Plot no. 58 having total area measuring 488.84 Sq. mts at Industrial area Parwanoo Distt. Solan (H.P.) in the name of Company. - Equitable Mortgage & 2nd charge over Factory Land & Building measuring 3bighas situated at Barotiwal Baddi ; Factory Land & Building measuring 2210 sq. mtrs situated Plot No. 8 Village Barotiwal Baddi ; Factory Land & Building measuring 01 Bighas 7 biswas situated Village Barotiwal Baddi. - Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank. - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : 8.50%-8.90%
(xxiii) Yes Bank Cash Credit ₹ 525 millions - Gross Outstanding Loan of ₹ 474.44 millions as on 30 June 2025 (31 March 2025 : ₹ 423.02 millions, 31 March 2024: ₹ 480.16 millions , 31 March 2023: ₹ 456.67 millions) - First Parri Passu charge on all the Current Assets of the borrower (Both present & future). - First Pari Passu Charge by way of mortgage of immovable property situated on: Plot no 58, Industrial Area Phase 1, Parwanoo (Unit -1) Solan Himachal Pradesh. - Second Pari Passu Charge by way of mortgage on: specific Movable Fixed Assets and other MFA *Other MFA includes all movable fixed assets except in Unit-8 and specifically charged to Term Loan lenders for their term loan. ; Immovable Property Situated at Plot No. 8 Industrial Area Barotiwal (Unit-3) ; Immovable Property situated at Khasra No. 97/13, 417/6, 418/6, Village Barotiwal , Baddi Distt Solan Unit 4 old Shed ; immovable property situated at Khasra No. 463/491/3, Village Barotiwal , Baddi Distt Solan Unit 7 - Unconditional and Irrevocable Personal Guarantees of Ashok Kumar Tandon and Aman Tandon to remain valid during the tenure of the credit facilities.	Rate of Interest : 8.75%-9.75%
(xxiv) HDFC Bill discounting ₹ 300 millions -Gross Outstanding Loan of ₹ 296.61 millions as on 30 June 2025 (31 March 2025 : ₹ 296.94 millions, 31 March 2024: ₹ 74.96 millions, 31 March 2023: ₹ 98.34 millions) -Subervient charge on all current and movable fixed assets of borrower both present and future. -Exclusive charge by way of equitable mortgage on the industrial Freehold property of the company in the industrial area panchkula with proposed value of ₹ 100.00 millions. -Personal guarantee of Mr.Aman tandon and Mr.Ashok Kumar Tandon. Tenor 120 days.	Linked with T Bill + 3 months

Unsecured

(xxv) SBI Electronic Vendor Finance ₹ 400 millions Gross Outstanding Loan of ₹ 393.19 millions as on 30 June 2025 (31 March 2025: ₹ 278.86 millions, 31 March 2024: ₹ Nil, 31 March 2023: ₹ Nil)	91 days T bill 6.56% above 1.95
(xxvi) A. Treds Ltd ₹ 150 millions Gross Outstanding Loan of ₹ 58.93 millions as on 30 June 2025 (31 March 2025: ₹ 90.21 millions, 31 March 2024: ₹ Nil ,31 March 2023: ₹ Nil)	Rate of interest- 9.00%-9.80%
(xxvii) Loan from related party Gross Outstanding Loan from director for ₹ 63.81 millions as on 30 June 2025 (31 March 2025: ₹ 63.81 millions, 31 March 2024: ₹ Nil, 31 March 2023: ₹ Nil)	Interest free demand loan

17 Trade payables

Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 31)
Total outstanding dues of creditors other than micro enterprises and small enterprises

Total

Trade payables to others

Trade payables to related parties (refer note 34)

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
23.19	22.47	-	-
814.30	734.96	732.99	954.22
837.49	757.43	732.99	954.22

835.90 755.81 730.46 951.59

1.59 1.62 2.53 2.63

Trade payables ageing as at 30 June 2025

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	-	23.19	-	-	-	-	23.19
Total outstanding dues of creditors other than micro and small enterprises	78.34	496.58	231.16	2.76	1.57	3.89	814.30
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of other than micro and small enterprise	-	-	-	-	-	-	-
Total	78.34	519.77	231.16	2.76	1.57	3.89	837.49

Trade payables ageing as at 31 March 2025

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	-	22.47	-	-	-	-	22.47
Total outstanding dues of creditors other than micro and small enterprises	30.13	541.21	151.89	3.53	2.64	5.56	734.96
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of other than micro and small enterprise	-	-	-	-	-	-	-
Total	30.13	563.68	151.89	3.53	2.64	5.56	757.43

Trade payables ageing as at 31 March 2024

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	5.15	481.27	232.35	7.57	3.29	3.36	732.99
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of other than micro and small enterprise	-	-	-	-	-	-	-
Total	5.15	481.27	232.35	7.57	3.29	3.36	732.99

Trade payables ageing as at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	13.28	726.05	169.84	40.50	2.06	2.49	954.22
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of other than micro and small enterprise	-	-	-	-	-	-	-
Total	13.28	726.05	169.84	40.50	2.06	2.49	954.22

Notes:-

- (i) Trade payables are non-interest bearing and are normally settled on 90 day terms
(ii) For explanations on the Company's currency risk and liquidity risk management processes, refer to Note 37 C.

18 Other financial liabilities

Interest accrued but not due on borrowings

Capital creditors

Other payables

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
15.08	12.55	15.30	17.60
4.29	0.61	1.99	0.08
28.14	19.45	20.03	15.22
47.51	32.61	37.32	32.90

19 Provisions

Non current

Provision for employee benefits

Provision for gratuity (refer note 39)

Provision for compensated absences (refer note 39)

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
10.32	7.35	-	6.79
9.74	9.83	10.47	10.55
20.06	17.18	10.47	17.34

Current

Provision for employee benefits

Provision for gratuity (refer note 39)

Provision for compensated absences (refer note 39)

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
-	-	-	-
6.02	4.30	4.11	4.07
6.02	4.30	4.11	4.07

20 Other current liabilities

Advances from customers

Statutory dues payable

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
6.20	7.90	13.94	11.04
23.90	7.67	9.11	6.88
30.10	15.57	23.05	17.92

21 Current tax liabilities (net)

Current tax liabilities (net of advance tax and TDS)

Total

As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
15.29	3.81	-	5.81
15.29	3.81	-	5.81

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22 Revenue from operations

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from operations				
Revenue from contracts with customers				
Sale of products	1,574.08	4,849.30	4,916.70	5,627.29
Sale of services	2.39	47.99	25.36	7.38
Total revenue from contracts with customers	1,576.47	4,897.29	4,942.06	5,634.67
Other operating revenue				
Duty Drawback and Export incentives (refer note (i))	6.19	13.53	14.47	24.89
Sale of scrap	97.68	390.87	376.71	469.82
Total other operating revenue	103.87	404.40	391.18	494.71
Total revenue from operations	1,680.34	5,301.69	5,333.24	6,129.38

(i) The Company is eligible for benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme introduced by the Government of India. The scheme aims to reimburse exporters for various embedded taxes and duties (such as electricity duty, fuel taxes, and other non-GST levies) that are not refunded through other mechanisms. The benefit is provided in the form of electronic duty credit scrips, which are freely transferable and can be used to pay basic customs duty on future imports or sold to third parties. The income is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received. The scrips are measured at fair value at the time of recognition, typically based on their expected realizable value. For the period ended 30 June 2025, the Company has recognized income of ₹ 2.32 millions, (for the year ended 31 March 2025 : ₹ 5.49 millions, 31 March 2024 : ₹ 3.91 millions, 31 March 2023 : ₹ 11.33 millions) from RoDTEP under Operating Revenue, upon fulfillment of the conditions of the scheme and reasonable assurance of receipt.

a) Disaggregation of revenue

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
India	1,404.25	4,387.11	4,314.40	4,780.47
Outside India	172.22	510.18	627.66	854.20
Total revenue from contracts with customers	1,576.47	4,897.29	4,942.06	5,634.67

Performance obligations

Information about the Company's performance obligations are summarized below:

b) Timing of revenue recognition

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Goods transferred at a point in time	1,574.08	4,849.30	4,916.70	5,627.29
Services transferred at a point in time	2.39	47.99	25.36	7.38
Total revenue from contracts with customers	1,576.47	4,897.29	4,942.06	5,634.67

Sale of goods and services

The performance obligation is satisfied upon delivery of the goods and completion of services.

c) Reconciliation the amount of revenue recognized in the restated statement of profit and loss with the contracted price:

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue as per contract	1,578.22	4,937.98	4,949.81	5,655.04
Adjustments for variable consideration:				
- Discounts and rebates	1.75	40.69	7.75	20.37
Total revenue from contracts with customers	1,576.47	4,897.29	4,942.06	5,634.67

d) Contract balances

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables*	1,710.08	1,436.24	1,378.04	1,618.41
Advances from customers**	6.20	7.90	13.94	11.04

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

**Advances from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

23 Other income

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest income on financial assets measured at amortized cost				
- on fixed deposits	1.08	2.24	2.96	1.01
- on security deposits	0.35	5.16	3.15	1.92
Insurance Claim received*	-	4.61	0.70	-
Liabilities written back	0.88	0.04	-	3.32
Reversal of loss allowance for bad and doubtful debts (refer Note 37B)	0.44	7.64	-	-
Gain on Foreign Exchange variation (net)	1.83	11.66	15.40	10.34
Gain on sale of property, plant & equipment and capital work-in-progress	-	134.59	3.22	0.49
Business support services	-	-	-	8.70
Rental income	0.32	1.26	1.26	1.26
Total	4.90	167.20	26.69	27.04

* Note : Pertains to insurance claim towards loss of fixed assets in fire on 10 September, 2024 in one of the unit of the company. See note (iii) below Note 3 - Property Plant and Equipment

24 (a) Cost of raw materials and components consumed

	For the period ended 30 June 2025	For the period ended 31 March 2025	For the period ended 31 March 2024	For the period ended 31 March 2023
Cost of raw materials and components consumed				
Inventory at the beginning of the period/ year	321.63	251.77	300.78	431.67
Add: Purchases (net)	750.57	2,575.47	2,379.64	3,068.86
	1,072.20	2,827.24	2,680.42	3,500.53
Less: Inventory at the end of the period/ year	322.80	321.63	251.77	300.78
Cost of raw materials and components consumed	749.40	2,505.61	2,428.65	3,199.75

24 (b) Changes in inventories of finished goods, work-in-progress and scrap

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening Stock:				
Finished goods	351.76	191.51	319.08	33.95
Work-in-progress	688.06	522.48	540.02	435.53
Scrap & waste	14.43	14.07	8.19	16.99
Total opening balance	1,054.25	728.06	867.29	486.47
Closing Stock:				
Finished goods	385.45	351.76	191.51	319.08
Work-in-progress	687.90	688.06	522.48	540.02
Scrap & waste	14.66	14.43	14.07	8.19
Total closing balance	1,088.01	1,054.25	728.06	867.29
(Increase)/Decrease in inventory				
Finished Goods	(33.69)	(160.25)	127.57	(285.13)
Work-in-progress	0.16	(165.58)	17.54	(104.49)
Scrap & Waste	(0.23)	(0.36)	(5.88)	8.80
(Increase)/Decrease in inventory	(33.76)	(326.19)	139.23	(380.82)

25 Employee benefits expense

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Salaries, wages and bonus	127.21	467.21	502.68	483.67
Contribution to provident and other funds (refer note 39)	7.15	27.31	25.96	25.53
Gratuity (refer note 39)	2.21	8.01	9.29	9.73
Compensated absences (refer note 39)	1.82	7.19	8.42	10.59
Staff welfare expenses	3.66	18.87	20.94	21.51
Total	142.05	528.59	567.29	551.03

26 Finance costs

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Interest on				
- Borrowings	70.90	259.18	245.97	209.42
- Lease liabilities	8.54	26.65	20.01	14.92
- Others	1.83	5.24	0.50	0.63
Bank charges	0.29	1.06	2.15	3.29
Total	81.56	292.13	268.63	228.26

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27 Depreciation and amortization expense

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Depreciation of property, plant and equipment (refer note 3)	75.59	304.56	270.09	311.95
Amortization of intangible assets (refer note 5)	5.76	10.59	1.60	2.15
Depreciation of right-of-use assets (refer note 38)	28.74	90.29	61.75	40.74
Total	110.09	405.44	333.44	354.84

28 Other expenses

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Consumption of loose tools	123.37	515.12	366.21	585.76
Consumption of stores and spares	4.11	17.93	18.60	7.31
Packing materials	19.01	82.12	63.00	100.11
Labour/Job work charges	167.11	593.82	514.20	560.30
Rent expenses (refer note 38)	6.93	25.00	24.38	28.20
Repair & maintenance				
- Buildings	10.38	34.07	33.91	57.65
- Plant & machinery	27.78	30.42	23.69	117.23
- Others	7.06	22.01	25.96	31.15
Vehicle running & maintenance	9.32	34.37	33.03	35.47
Power, fuel and water	76.93	231.01	207.59	197.79
Freight and cartage expense	23.48	87.90	83.46	124.20
Rates & taxes	1.42	9.06	3.50	3.67
Legal and professional fees	7.91	37.26	37.27	40.95
Travelling and conveyance	3.04	17.38	16.84	13.81
CSR activities & donation (refer details below Note ii)	0.01	3.99	2.30	1.58
Payment to auditors (refer details below note i)	0.58	2.03	1.01	0.41
Marketing expenses	0.91	1.64	0.77	1.73
Loss on sale of property plant & equipment (net)	0.01	-	-	-
Balance written off	-	-	0.31	1.24
Bad debts written off	9.25	-	13.51	45.84
Loss allowance for bad and doubtful debts	-	-	5.80	19.99
Loss allowance for doubtful advances (refer Note 37 B)	-	8.89	-	-
Security charges	3.94	16.01	15.08	13.07
Testing and calibration expenses	0.74	3.39	5.47	4.10
Printing and stationary	1.32	4.55	4.67	6.28
Insurance expenses	1.90	8.99	8.74	7.50
Miscellaneous expenses	3.37	10.87	9.84	12.81
Total	509.88	1,797.83	1,519.14	2,018.15

(i) Payment to Auditors

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
As statutory auditor:				
- Statutory audit fee	0.58	0.63	0.53	0.40
- Tax audit fee	-	0.48	0.48	-
- Out of pocket expenses	-	0.01	-	0.01
Total	0.58	1.12	1.01	0.41

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(ii) **Details of CSR expenditure**

As per Section 135 of the Companies Act, 2013 ('Act'), a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are occupational health, education and environment protection. A CSR committee has been formed by the Company as per the Act. The funds were utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
a) Gross amount required to be spent by the Company during the period/year	0.95	3.30	2.86	1.58
Shortfall/(Excess) of the previous year carried forward as per sec 135 of the Companies Act 2013	(0.05)	-	0.55	0.63
Balance amount required to be spent during the period/year	0.90	3.30	3.41	2.21
b) Amount spent during the period/year*	-	3.35	2.30	1.66
c) Shortfall/(Excess) at the end of the year out of the amount required to be spent by the Company during the period/year	-	(0.05)	0.72	0.55
d) Previous years shortfall spent during the year	-	-	-	-
e) CSR Spent out of the opening unutilised balance with CSR partner entity	-	0.08	-	0.08
f) Unutilised balance with CSR partner entity at the end of the period/year	-	0.47	0.55	0.55
g) Unspent amount transferred to government specified fund within 6 months	-	-	0.72	-
h) The company has contributed CSR to other than related party***	-	3.27	2.30	1.58

Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects**

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Balance as at the beginning of the period/year	(0.05)	-	0.55	0.63
Amount required to be spent during the period/year	0.95	3.30	2.86	1.58
Amount spent during the period/year*#	-	3.35	3.41	1.66
Shortfall/(excess) as at the closing of the period/year	0.90	(0.05)	-	0.55

*Amount spent during the period/year on purpose other than construction/acquisition of any asset.

** The company does not have ongoing projects as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023

***For the year ended 31 March 2025 the company has contributed ₹ 3.99 millions including ₹ 0.72 millions deposited in PMNRF as per relevant provision of CSR rule. The same has been considered in total amount spend for the FY 2023-24.

#Amount spend during the period/year includes any amount paid to Government specified fund with in the six month from the financial year end date 30 June 2025: ₹ Nil, 31 March 2025: ₹ Nil, 31 March 2024: ₹ 0.72 millions & 31 March 2023: ₹ Nil.

29 Income tax

The major components of income tax expense are:

(A) Restated Statement of Profit and Loss section

(i) Current Tax

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	37.80	51.67	43.15	64.65
Adjustment of tax relating to earlier period	-	-	-	(0.26)

Deferred tax

Relating to origination and reversal of temporary differences (for current year)

	(5.39)	(6.83)	(6.80)	(19.83)

Total income tax expense recognized in the Restated Statement of Profit and Loss

	32.41	44.84	36.35	44.56

(ii) Restated Other comprehensive income (OCI) section

Deferred Tax

Tax on items recognized in OCI on remeasurement of defined benefit plan	0.19	0.68	(1.62)	(1.03)
Tax on remeasurement of investment through OCI	(0.00)	(1.03)	(0.51)	0.85
Total income tax recognized in Restated other comprehensive income	0.19	(0.35)	(2.13)	(0.18)

(B) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Restated profit before tax	126.02	265.48	103.55	185.21
Tax at the Indian tax rate of 25.168% (31 March 2025 - 25.168% , 31 March 2024 - 25.168%, 31 March 2023- 29.12%)	31.72	66.82	26.06	53.93
Tax effect of:				
Effect of tax in related to previous years (income tax)	-	-	-	(0.26)
Tax effect of income charged at different tax rate	-	(25.98)	-	-
Impact of change in tax rate for future period	-	-	9.50	-
Effect of permanent differences	0.05	1.14	-	-
Impact of income exempt under income tax	-	1.16	-	-
Additional allowances/deductions under income tax	0.02	2.23	-	-
Effect of deferred tax created on timing difference for earlier years	-	-	-	(9.11)
Others	0.62	(0.53)	0.79	-
Income tax expense	32.41	44.84	36.35	44.56

Deferred tax assets (net)				
Deferred tax movement at balance sheet	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Accelerated depreciation	63.40	59.82	57.08	54.12
Security deposits	1.51	1.42	4.39	3.14
Loss allowance for bad and doubtful debts	5.64	5.75	8.05	8.63
Loss allowance for doubtful advances	2.24	2.24	-	-
Bonus payable	4.43	3.62	3.51	0.63
Revaluations of FVTOCI investments to fair value	(0.92)	(0.92)	0.11	0.72
Right of use	(91.75)	(85.54)	(53.92)	(61.36)
Leases liabilities	95.75	89.51	54.05	61.13
Borrowings	(0.15)	(0.17)	(0.24)	(0.38)
Export incentives	-	-	(1.45)	(2.89)
Provisions (including plan assets)	6.56	5.40	3.07	6.24
Net deferred tax assets/(liabilities)	86.71	81.13	74.65	69.98
Deferred tax movement at profit and loss	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Accelerated depreciation	3.58	2.73	2.96	11.09
Security deposits	0.09	(2.95)	1.25	1.25
Loss allowance for bad and doubtful debts	(0.11)	(2.31)	(0.58)	7.34
Loss allowance for doubtful advances	-	2.24	-	-
Bonus payable	0.81	0.11	2.88	0.63
Revaluations of FVTOCI investments to fair value	0.00	(1.03)	(0.61)	0.72
Right of use	(6.21)	(31.63)	7.44	(29.71)
Leases liabilities	6.24	35.46	(7.08)	30.31
Borrowings	0.02	0.07	0.14	0.14
Export incentives	-	1.45	1.44	(2.89)
Provisions (including plan assets)	1.16	2.34	(3.17)	0.77
Deferred tax (expense)/income	5.58	6.48	4.67	19.65
Reflected in the balance sheet as follows:				
Deferred tax assets	179.53	167.76	130.26	134.62
Deferred tax liabilities	(92.82)	(86.63)	(55.61)	(64.64)
Deferred tax assets (net)	86.71	81.13	74.65	69.98
Reconciliation of deferred tax assets (net):				
Opening balance	81.13	74.65	69.98	50.33
Tax income/(expense) recognized in profit or loss	5.39	6.83	6.80	19.83
Tax income/(expense) recognized in OCI	0.19	(0.35)	(2.13)	(0.18)
Closing balance	86.71	81.13	74.65	69.98

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Restated profit attributable to equity shareholders (A)	93.61	220.64	67.20	140.65
Effect of dilution	-	-	-	-
Restated profit attributable to equity shareholders after effect of dilution (B)	93.61	220.64	67.20	140.65
Weighted average number of Equity shares in calculating Basic EPS (C) (refer note (i))	9,00,00,000	9,00,00,000	9,00,00,000	9,00,00,000
Weighted average number of Equity shares adjusted for the effect of dilution (D) (refer note (i))	9,00,00,000	9,00,00,000	9,00,00,000	9,00,00,000
Calculation of earning per share				
Nominal value per equity shares				
Basic Earning per equity share attributable to owners of Company [In ₹] [(A)/(C)]	1.04	2.45	0.75	1.56
Diluted Earning per equity share attributable to owners of Company [In ₹] [(B)/(D)]	1.04	2.45	0.75	1.56

(i) The Board of Directors of the Company in its meeting held on 10 September 2025 and shareholders of the Company in the Extra Ordinary General Meeting held on 13 September 2025 approved the sub-division of 3,000,000 equity shares of ₹ 10 each into 15,000,000 equity shares of ₹ 2 each and issuance of bonus equity share of ₹ 2 each in the ratio of 5:1 for the Equity shares of ₹ 2 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

(ii) Basic and Diluted EPS for the period ended 30 June 2025 is not annualised.

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum number as allocated after filling the Memorandum. Based on the information received and available with the Company, there are no dues outstanding to micro and small enterprises (Suppliers) other than covered below under the Micro, Small and Medium Enterprises Development Act, 2006 as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023.

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:				
Principal	23.19	22.47	-	-
Interest due on above	-	-	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-	-	-
iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-	-

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32 Contingent liabilities and commitments

(A) Commitments

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	44.23	91.09	152.70	124.60

Other commitment

Outstanding export obligation to be fulfilled over a period of 6 years, from respective date of import, under the EPCG scheme against import of plant and machinery#	772.01	772.01	536.86	543.02
Outstanding export obligation to be fulfilled over a period of 6 years, from respective date of import, under the EPCG scheme against import of plant and machinery# (IN US\$)	9.43	9.43	6.80	7.10

in the absence of fulfilment of the related export obligation, the Company will be liable to pay the amount of duty saved along with interest.

(B) Contingent liabilities

Income tax litigation - not been acknowledged as claims	63.50	63.50	19.90	19.80
Goods and Service Tax litigation - not been acknowledged as claims	3.68	3.68	0.91	-

33 Segment Information

In the context of Ind AS 108, The Chief Operating Decision Maker "CODM" reviews the operations of the Company as a whole, i.e. single primary business segment viz. manufacturing and trading of gear transmission products. Hence, there are no reportable segments as per Ind AS 108 "Operating Segments".

Revenue from contracts with customers on the basis on Geographical locations/segments is based on the areas in which customers of the Company are located and is detailed below:-

	For the period ended 30 June 2025	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue from contracts with customers				
India	1,404.25	4,387.11	4,314.40	4,780.47
Outside India	172.22	510.18	627.66	854.20
Total	1,576.47	4,897.29	4,942.06	5,634.67

All non-current assets of the Company are located within India.

Information about major customers

Included in revenue arising from sales of goods of ₹ 1,079.08 millions (year ended 31 March 2025: ₹ 3,437.32 millions, year ended 31 March 2024: ₹ 3,318.22 millions, year ended 31 March 2023: ₹ 4,025.74 millions) which arose from sales to its major customers which accounts for 64.22% (year ended March 31, 2025: 64.83 %, year ended March 31, 2024: 62.22%, year ended March 31, 2023: 65.68%) of the total revenue from operations.

34 Related party disclosures :

a) Names of related parties and related party relationship

Key managerial personnel

Name	Designation
Ashok Kumar Tandon	Chairman-cum-Executive Director
Aman Tandon	Managing Director
Biresh Kumar Thakur	CEO and Executive Director
Pankaj Budhiraja	Chief Financial Officer (w.e.f 1 July 2025)
Kapil Bhalla	Company Secretary (from 2 August 2024 - upto 4 August 2025)
Mohinder Singh	Company Secretary (w.e.f 4 August 2025)

Relatives of Key Managerial Personnel

Name	Relation
Amit Tandon	Son of Chairman
Anirudh Tandon	Son of Managing Director

Enterprises over which key managerial personnel or their relatives have significant influence

Name	Relationship
Chhoti Si Asha	Entity in which directors or persons having substantial interest or having significant influence
Polycycl Private Limited	Entity in which directors or persons having substantial interest or having significant influence
Chhoti Si Asha Foundation (section 8 company)	Entity in which directors or persons having substantial interest or having significant influence

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(b) Transactions during the period/year with the related parties:

Name of the related party	For the period/year ended	Managerial Remuneration*	Other income	Sale of assets	Loan taken	Purchases	Total
Key managerial personnel (KMP)							
Ashok Kumar Tandon	30 June 2025	2.04	-	-	-	-	2.04
	31 March 2025	8.16	-	-	-	-	8.16
	31 March 2024	16.26	-	-	-	-	16.26
	31 March 2023	14.46	-	-	-	-	14.46
Aman Tandon	30 June 2025	2.04	-	-	-	-	2.04
	31 March 2025	8.16	-	-	63.81	-	71.97
	31 March 2024	15.06	-	-	-	-	15.06
	31 March 2023	13.56	-	-	-	-	13.56
Biresh Kumar Thakur	30 June 2025	2.03	-	-	-	-	2.03
	31 March 2025	8.50	-	-	-	-	8.50
	31 March 2024	8.28	-	-	-	-	8.28
	31 March 2023	7.51	-	-	-	-	7.51
Kapil Bhalla	30 June 2025	0.29	-	-	-	-	0.29
	31 March 2025	0.77	-	-	-	-	0.77
	31 March 2024	-	-	-	-	-	-
	31 March 2023	-	-	-	-	-	-
Relatives of KMP	30 June 2025	0.37	-	-	-	-	0.37
	31 March 2025	7.81	-	-	-	-	7.81
	31 March 2024	15.06	-	-	-	-	15.06
	31 March 2023	13.55	-	-	-	-	13.55
Enterprises over which KMP/relative is able to exercise significant influence							
Polycycl Private Limited	30 June 2025	-	0.32	-	-	-	0.32
	31 March 2025	-	1.26	-	-	0.12	1.38
	31 March 2024	-	1.26	-	-	1.05	2.31
	31 March 2023	-	9.94	0.71	-	-	10.65
Chhoti Si Asha	30 June 2025	-	-	-	-	-	-
	31 March 2025	-	-	-	-	-	-
	31 March 2024	-	-	-	-	-	-
	31 March 2023	-	-	-	-	0.05	0.05
Chhoti Si Asha Foundation((section 8 company)	30 June 2025	-	-	-	-	-	-
	31 March 2025	-	-	-	-	0.10	0.10
	31 March 2024	-	-	-	-	-	-
	31 March 2023	-	-	-	-	-	-

* Compensation of the Company's key managerial personnel includes salaries, non-cash benefits. Provision for gratuity and compensated absences is computed for the Company as a whole and has not been included above.

(c) Outstanding balances as at the period/year end

Name of the related party	As at	Trade Payable*	Trade receivable	Loan Payable	Investments	Total
Key managerial personnel (KMP)						
Ashok Kumar Tandon	30 June 2025	0.47	-	-	-	0.47
	31 March 2025	0.51	-	-	-	0.51
	31 March 2024	0.71	-	-	-	0.71
	31 March 2023	0.82	-	-	-	0.82
Aman Tandon	30 June 2025	0.43	-	63.81	-	64.24
	31 March 2025	0.08	-	63.81	-	63.89
	31 March 2024	0.78	-	-	-	0.78
	31 March 2023	0.71	-	-	-	0.71
Biresh Kumar Thakur	30 June 2025	0.47	-	-	-	0.47
	31 March 2025	0.45	-	-	-	0.45
	31 March 2024	0.32	-	-	-	0.32
	31 March 2023	0.34	-	-	-	0.34
Kapil Bhalla	30 June 2025	0.11	-	-	-	0.11
	31 March 2025	0.02	-	-	-	0.02
	31 March 2024	-	-	-	-	-
	31 March 2023	-	-	-	-	-
Relatives of KMP	30 June 2025	0.12	-	-	-	0.12
	31 March 2025	0.55	-	-	-	0.55
	31 March 2024	0.71	-	-	-	0.71
	31 March 2023	0.75	-	-	-	0.75
Enterprises over which KMP/relatives is able to exercise significant influence						
Polycycl Private Limited	30 June 2025	-	0.32	-	35.83	36.15
	31 March 2025	-	-	-	35.83	35.83
	31 March 2024	-	5.54	-	32.30	37.84
	31 March 2023	-	5.96	-	30.49	36.45
Chhoti Si Asha	30 June 2025	-	-	-	-	-
	31 March 2025	-	-	-	-	-
	31 March 2024	0.01	-	-	-	0.01
	31 March 2023	0.01	0.18	-	-	0.19

*Trade Payable includes remuneration payable to key managerial personnel

(d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Financial instruments

(A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value as at				Fair value as at				Level
	30 June 2025	31 March 2025	31 March 2024	31 March 2023	30 June 2025	31 March 2025	31 March 2024	31 March 2023	
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments	36.70	36.70	32.61	30.58	36.70	36.70	32.61	30.58	Level 2 and Level 3
Financial assets at amortized costs									
Security deposits	52.32	44.41	81.60	54.00	52.32	44.41	81.60	54.00	Level 3
Fixed Bank Deposits	70.48	70.48	10.00	-	70.48	70.48	10.00	-	Level 3
Interest accrued on fixed bank deposits	1.02	0.04	0.11	-	1.02	0.04	0.11	-	Level 3
Financial liabilities measured at amortized cost									
Non current borrowings	771.75	854.31	1,027.02	1,291.99	771.75	854.31	1,027.02	1,291.99	Level 3
Non current lease liabilities	268.73	257.46	156.65	163.66	268.73	257.46	156.65	163.66	Level 3

The management has assessed that fair value of financial assets such as cash and cash equivalent, trade receivable, bank balances, other than cash and cash equivalent, short term borrowings, short term lease liabilities, trade payables, other current financial liabilities and other current financial assets approximate their carrying amount largely due to short-term maturities of these instruments.

Reconciliation of fair value measurement of unquoted investments classified as FVTOCI assets	For the period 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	36.70	32.61	30.58	33.06
Re-measurement recognized in OCI	0.00	4.09	2.03	(2.48)
Closing Balance	36.70	36.70	32.61	30.58

(B) Fair value hierarchy

Level 1: Quoted prices in active markets. This level of hierarchy includes financial assets that are measured by reference to quoted price in active market. This category consist of quoted equity share and debt based open ended mutual funds.

Level 2: Valuation techniques with observable input. This level of hierarchy includes item measured using inputs other than quoted price included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC)

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable input). Fair value 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 instruments nor based on available market data. The main item in this category are unquoted equity instruments.

Valuation technique used for Level 3 investments
Fair valuation of the investment in preferences shares as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023 have been determined using the Discounted Cash Flow method. The significant unobservable input used in the fair value measurement categorised within Level 3 of the fair value hierarchy are long term growth rate for cash flows for subsequent years.

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The following table provides the fair value measurement hierarchy of company's financial assets and liabilities

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023.

	Fair value measurement using			
	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 30 June 2025				
Financial assets at fair value through OCI				
Investments	36.70	-	0.87	35.83
Financial assets at amortized costs				
Security deposits	52.32	-	-	52.32
Fixed Bank Deposits	70.48	-	-	70.48
Interest accrued on fixed bank deposits	1.02	-	-	1.02
Financial liabilities at amortized cost				
Non current borrowings	771.75	-	-	771.75
Non current lease liabilities	268.73	-	-	268.73
Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2025				
Financial assets at fair value through OCI				
Investments	36.70	-	0.87	35.83
Financial assets at amortized costs				
Security deposits	44.41	-	-	44.41
Fixed Bank Deposits	70.48	-	-	70.48
Interest accrued on fixed bank deposits	0.04	-	-	0.04
Financial liabilities at amortized cost				
Non current borrowings	854.31	-	-	854.31
Non current lease liabilities	257.46	-	-	257.46
Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2024				
Financial assets at fair value through OCI				
Investments	32.61	-	0.31	32.30
Financial assets at amortized costs				
Security deposits	81.60	-	-	81.60
Fixed Bank Deposits	10.00	-	-	10.00
Interest accrued on fixed bank deposits	0.11	-	-	0.11
Financial liabilities at amortized cost				
Non current borrowings	1,027.02	-	-	1,027.02
Non current lease liabilities	156.65	-	-	156.65

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2023				
Financial assets at fair value through OCI				
Investments	30.58	-	0.09	30.49
Financial assets at amortized costs				
Security deposits	54.00	-	-	54.00
Fixed Bank Deposits	-	-	-	-
Interest accrued on fixed bank deposits	-	-	-	-
Financial liabilities at amortized cost				
Non current borrowings	1,291.99	-	-	1,291.99
Non current lease liabilities	163.66	-	-	163.66

There have been no transfers between Level 1, Level 2 and Level 3 during the period ended 30 June 2025 and year ended 31 March 2025, 31 March 2024 and 31 March 2023

36 Capital management policies and objectives

For the purposes of Company’s capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company’s capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2025, year ended 31 March 2025, 31 March 2024 and 31 March 2023.

The Company monitors capital using gearing ratio, which is net debt divided by total equity plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below. Further, total equity includes equity share capital and other equity.

The Net Gearing Ratio at the end of the reporting period/year was as follows:

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Gross Debt (including lease liability)	4,206.22	4,083.17	3,367.15	3,378.36
Cash and cash equivalents	0.39	0.39	0.26	8.19
Net Debt (A)	4,205.83	4,082.78	3,366.89	3,370.17
Total Equity (As per Balance Sheet) (B)	1,355.68	1,262.64	1,040.98	967.44
Total equity plus net debt (C) = (A+B)	5,561.51	5,345.42	4,407.87	4,337.61
Net Gearing Ratio (A/C)	75.62%	76.38%	76.38%	77.70%

No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2025 and year ended 31 March 2025, 31 March 2024 and 31 March 2023.

37 Financial risk management objective and policies

The company's principal financial liabilities comprise borrowings, trade and other payables and Lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations/projects .The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, Credit risk and Liquidity Risk. The Company's senior management oversees the management of these risks.

A Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023. The sensitivity of the relevant profit and loss items is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023.

(i) **Interest rate risk:**
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity:
The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities. Interest rate sensitivity has been calculated for borrowings with floating rate of interest. For borrowings with fixed rate of interest or no interest, sensitivity disclosure has not been made. With all other variables held constant, the company's restated profit before tax is affected through the impact of change in interest rate on financial liabilities, as follows:

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Impact on Restated Profit Before Tax due to change in Interest Rate				
Increase by 0.5%	(17.71)	(17.19)	(15.60)	(15.84)
Decrease by 0.5%	17.71	17.19	15.60	15.84

(ii) **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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency (FCY)).

The Company's exposure to foreign currency risk at the end of reporting period expressed in ₹, are as follows:

	Currency	As at 30 June 2025		As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
		Amount in FCY (absolute)	Amount in ₹ (in millions)	Amount in FCY (absolute)	Amount in ₹ (in millions)	Amount in FCY (absolute)	Amount in ₹ (in millions)	Amount in FCY (absolute)	Amount in ₹ (in millions)
Advances to Suppliers*	CHF	-	-	9,579	0.93	1,69,870	15.69	11,50,200	101.00
	EUR	-	-	7,73,325	71.61	1,63,816	14.73	-	-
	JPY	73,60,000	4.35	-	-	4,93,000	0.27	2,80,80,000	16.90
	USD	4,500	0.38	25,920	2.22	-	-	20,02,369	161.90
Advances from customer	EUR	40,924	4.10	40,924	3.79	38,070	3.42	6,324	0.60
	USD	6,042	0.52	2,721	0.23	2,296	0.19	6,611	0.50
Trade receivables	EUR	6,55,617	65.61	3,49,023	32.32	3,15,794	28.40	35,786	3.10
	USD	27,62,922	235.98	25,30,505	216.43	3,08,119	25.68	26,21,820	212.00
Trade Payables	GBP	13,780	1.62	4,340	0.48	-	-	8,613	0.90
	JPY	-	-	-	-	-	-	3,12,00,000	19.90
	USD	1,368	0.12	1,368	0.12	-	-	12,91,448	107.80
	EUR	13,879	1.39	9,731	0.90	-	-	-	-

*Advance to Suppliers includes capital advances as well. As at 30 June 2025, 31 March 2025, 31 March 2024 and 31 March 2023, the advances to suppliers have been shown net of payables in the Statement of assets and liabilities, whereas, the same has been shown on gross basis in the above foreign currency exposure note.

Foreign currency sensitivity

	Effect on restated profit before tax			
	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Advances to Suppliers*				
CHF sensitivity				
₹/CHF- increase by 10%	-	0.09	1.57	10.10
₹/CHF- decrease by 10%	-	(0.09)	(1.57)	(10.10)
EUR sensitivity				
₹/EUR- increase by 10%	-	7.16	1.47	-
₹/EUR- decrease by 10%	-	(7.16)	(1.47)	-
JPY sensitivity				
₹/JPY- increase by 10%	0.43	-	0.03	1.69
₹/JPY- decrease by 10%	(0.43)	-	(0.03)	(1.69)
USD sensitivity				
₹/USD- increase by 10%	0.04	0.22	-	16.19
₹/USD- decrease by 10%	(0.04)	(0.22)	-	(16.19)
Advances from customer				
EUR sensitivity				
₹/EUR- increase by 10%	(0.41)	(0.38)	(0.34)	(0.06)
₹/EUR- decrease by 10%	0.41	0.38	0.34	0.06
USD sensitivity				
₹/USD- increase by 10%	(0.05)	(0.02)	(0.02)	(0.05)
₹/USD- decrease by 10%	0.05	0.02	0.02	0.05
Trade receivables				
EUR sensitivity				
₹/EUR- increase by 10%	6.56	3.23	2.84	0.31
₹/EUR- decrease by 10%	(6.56)	(3.23)	(2.84)	(0.31)
USD sensitivity				
₹/USD- increase by 10%	23.60	21.64	2.57	21.20
₹/USD- decrease by 10%	(23.60)	(21.64)	(2.57)	(21.20)
Trade Payables				
GBP sensitivity				
₹/GBP- increase by 10%	(0.16)	(0.05)	-	(0.09)
₹/GBP- decrease by 10%	0.16	0.05	-	0.09
JPY sensitivity				
₹/JPY- increase by 10%	-	-	-	(1.99)
₹/JPY- decrease by 10%	-	-	-	1.99
USD sensitivity				
₹/USD- increase by 10%	(0.01)	(0.01)	-	(10.78)
₹/USD- decrease by 10%	0.01	0.01	-	10.78
EUR sensitivity				
₹/EUR- increase by 10%	(0.14)	(0.09)	-	-
₹/EUR- decrease by 10%	0.14	0.09	-	-

(ii) **Commodity price risk:**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Gears products and therefore require a continuous supply of steel . Due to the significantly increased volatility of the price of the steel, the Company has entered into various purchase contracts for these material for which there is an active market. The Company maintains the level of these stock as per the requirement of business and market which are discussed by the management on regular basis. The Company operates in the way that saving / impact due to change in commodity prices in the active market are passed on to the customer and therefore impact on restated profit before tax due to change in price of commodity is unascertainable.

B 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities , including cash and cash equivalents and deposits with banks and financial institutions.

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored for any expected default in repayment. An impairment analysis is performed at each reporting date based on ECL matrix. The Company does not hold collateral as security. The maximum exposure to credit risk from trade receivables at the reporting date and an ageing analysis has been given below:

Expected credit loss for trade receivable under simplified approach

Ageing	Outstanding for following periods from due date of payment						Total
	Not Due	0-3 months past due	3-6 months past due	6-9 months past due	9-12 months past due	More than 1 year past due	
30 June 2025							
Estimated total gross carrying amount at default	1,086.69	531.36	76.29	14.18	3.31	20.64	1,732.47
ECL- simplified approach	-	(6.11)	(4.44)	(2.59)	(1.19)	(8.06)	(22.39)
Net carrying amount	1,086.69	525.25	71.85	11.59	2.12	12.58	1,710.09

Expected credit loss for trade receivable under simplified approach

Ageing	Outstanding for following periods from due date of payment						Total
	Not Due	0-3 months past due	3-6 months past due	6-9 months past due	9-12 months past due	More than 1 year past due	
31 March 2025							
Estimated total gross carrying amount at default	965.42	411.48	42.52	7.88	5.37	26.40	1,459.07
ECL- simplified approach	-	(5.20)	(2.71)	(1.58)	(2.09)	(11.25)	(22.83)
Net carrying amount	965.42	406.28	39.81	6.30	3.28	15.15	1,436.24

Expected credit loss for trade receivable under simplified approach

Ageing	Outstanding for following periods from due date of payment						Total
	Not Due	0-3 months past due	3-6 months past due	6-9 months past due	9-12 months past due	More than 1 year past due	
31 March 2024							
Estimated total gross carrying amount at default	903.23	370.87	88.71	23.94	4.64	17.12	1,408.51
ECL- simplified approach	-	(7.40)	(6.80)	(5.29)	(2.08)	(8.90)	(30.47)
Net carrying amount	903.23	363.47	81.91	18.65	2.56	8.22	1,378.04

Expected credit loss for trade receivable under simplified approach

Ageing	Outstanding for following periods from due date of payment						Total
	Not Due	0-3 months past due	3-6 months past due	6-9 months past due	9-12 months past due	More than 1 year past due	
31 March 2023							
Estimated total gross carrying amount at default	1,059.85	520.81	39.44	11.98	6.43	4.57	1,643.08
ECL- simplified approach	-	(14.41)	(2.62)	(1.61)	(2.58)	(3.45)	(24.67)
Net carrying amount	1,059.85	506.40	36.82	10.37	3.85	1.12	1,618.41

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach

Opening balance
Changes during the period/year
Closing Balance

For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
22.83	30.47	24.67	4.68
(0.44)	(7.64)	5.80	19.99
22.39	22.83	30.47	24.67

a. Security deposit and other advances

With regards to security deposit and other advances, the management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and other advances have been made have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets other than loss allowance on doubtful advances already provided for.

b. Trade receivables (Expected credit loss for trade receivables under simplified approach)
The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.
For homogeneous group of receivables, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default and delay rates over the expected life of the trade receivable and is adjusted for forward looking estimates.
At year end, the historical observed default and delay rates are updated and changes in the forward-looking estimates are analyzed. For other debtors that are heterogenous in nature, individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Restated statement of profit and loss within other expenses.

C Liquidity risk:
The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company’s objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted cash flows:

Particulars	Maturity Profile of Financial Liabilities				Total
	Carrying Amount	Up to 1 year	1 year to 5 years	More than 5 years	
As at 30 June 2025					
Financial liabilities at amortized cost					
Trade Payables	837.49	837.49	-	-	837.49
Borrowings including interest payable	3,840.89	3,134.61	846.26	56.69	4,037.56
Lease Liabilities	380.41	137.18	298.50	-	435.68
Other financial liabilities	32.43	32.43	-	-	32.43
Total	5,091.22	4,141.71	1,144.76	56.69	5,343.16
As at 31 March 2025					
Financial liabilities at amortized cost					
Trade Payables	757.43	757.43	-	-	757.43
Borrowings including interest payable	3,740.12	2,960.21	936.72	65.45	3,962.38
Lease Liabilities	355.60	130.95	283.29	-	414.24
Other financial liabilities	20.06	20.06	-	-	20.06
Total	4,873.21	3,868.65	1,220.01	65.45	5,154.12
As at 31 March 2024					
Financial liabilities at amortized cost					
Trade Payables	732.99	732.99	-	-	732.99
Borrowings including interest payable	3,167.75	2,214.09	1,024.04	102.64	3,340.77
Lease Liabilities	214.70	78.14	163.34	-	241.48
Other financial liabilities	22.02	22.02	-	-	22.02
Total	4,137.46	3,047.24	1,187.38	102.64	4,337.26
As at 31 March 2023					
Financial liabilities at amortized cost					
Trade Payables	954.22	954.22	-	-	954.22
Borrowings including interest payable	3,186.03	1,964.09	1,280.21	186.28	3,430.58
Lease Liabilities	209.93	64.21	183.22	-	247.43
Other financial liabilities	15.30	15.30	-	-	15.30
Total	4,365.48	2,997.82	1,463.43	186.28	4,647.53

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company’s performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

38 Right- of use assets (ROU) and lease liability

The Company has lease contracts for various items of plant and machinery, land and building used in its operations. Leases of plant and machinery and land and building generally have lease terms upto 5 years. The Company's obligations under its leases are secured by the lessor's title to the right-of-use assets. Generally, the Company is restricted from assigning and subleasing the right-of-use assets.

The Company also has certain leases of building and machinery with less than 12 months. The Company applies the " short term lease" recognition exemption for these leases.

a) Company as lessee

The changes in the carrying value of Right to Use (ROU) assets for the period ended 30 June 2025 and year ended 31 March 2025; 31 March 2024; and 31 March 2023 are as follows:

	Plant & Machinery	Land and Building	Total
Gross Carrying value			
As at 1 April 2022	105.35	26.74	132.09
Additions during the year	94.90	42.80	137.70
As at 31 March 2023	200.25	69.54	269.79
Additions during the year	63.81	1.46	65.27
As at 31 March 2024	264.06	71.00	335.06
Additions during the year	224.60	1.51	226.11
Adjustments during the year	(19.83)	-	(19.83)
As at 31 March 2025	468.83	72.51	541.34
Additions during the period	53.47	-	53.47
As at 30 June 2025	522.30	72.51	594.81
Accumulated depreciation			
As at 1 April 2022	9.91	8.42	18.33
Depreciation charge for the year	32.55	8.19	40.74
As at 31 March 2023	42.46	16.61	59.07
Depreciation charge for the year	47.82	13.93	61.75
As at 31 March 2024	90.28	30.54	120.82
Depreciation charge for the year	75.87	14.42	90.29
Adjustment during the year	(9.68)	-	(9.68)
As at 31 March 2025	156.47	44.96	201.43
Depreciation charge for the period	25.12	3.62	28.74
As at 30 June 2025	181.59	48.58	230.17
Net carrying amount			
As at 31 March 2023	157.79	52.93	210.72
As at 31 March 2024	173.78	40.46	214.24
As at 31 March 2025	312.36	27.55	339.91
As at 30 June 2025	340.71	23.93	364.64

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The following are the carrying amount of lease liabilities and movement during the year :

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
As at the beginning of the period/year	355.60	214.70	209.93	110.82
Addition during the period/year	51.77	221.25	56.80	131.76
Accretion of interest	8.54	26.65	20.01	14.92
Payment of lease liabilities	(35.50)	(107.01)	(72.04)	(47.57)
As at the end of the period/year	380.41	355.60	214.70	209.93

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Non-current	268.73	257.46	156.65	163.66
Current	111.68	98.14	58.05	46.27
Total	380.41	355.60	214.70	209.93

Note: The effective interest rate for lease liabilities is 7.5% with maturity between 2025-2030.

Amount recognized in the restated statement of profit and loss

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Depreciation on right of use assets	28.74	90.29	61.75	40.74
Interest on lease liabilities	8.54	26.65	20.01	14.92
Expenses related to short term leases (included in other expenses)	6.93	25.00	24.38	28.20
Total	44.21	141.94	106.14	83.86

The table below summarizes the maturity profile of the lease liability

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Less than one year	137.18	130.07	78.14	64.21
One to five years	298.50	288.62	163.34	183.22
More than 5 years	-	-	-	-
Total	435.68	418.69	241.48	247.43

(b) Company as lessor
Operating lease

The company has rental agreements for property situated at KK-16, HSIDC Estate, Kalka, District-Panchkula, Haryana, 133302. The lease agreement has remaining term of 9 months (31 March 2025: 12 months, 31 March 2024: 12 months, 31 March 2023: 24 months). The Company has considered such leases as operating leases and recognized rental income in the restated statement of profit and loss. Future undiscounted lease receipts under operating leases are as follows:

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Within one year	0.94	1.26	1.26	1.26
Between 1 and 2 years	-	-	-	1.26
Between 2 and 3 years	-	-	-	-

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39 Employee benefit obligations

a) Defined contribution plans

The Company makes contributions towards provident fund under defined benefit retirement plan for the qualifying employees. The Provident Fund is administered by the Employee Provident Fund Organization. Any expense recognized in relation to provident fund represents the value of contributions payable during the period by the Company 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.

Contribution to defined contribution plans, recognized in the restated statement of profit and loss under employee benefits expense, are as under:

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's Contribution to Provident and other funds	7.15	27.31	25.96	25.53

b) Defined benefit plans

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under such Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The contributions are invested in a scheme with Life Insurance Corporation of India (LIC) by Company.

The following tables summaries the components of net benefit expense recognized in the restated statement of profit and loss and the funded status and amounts recognized in the restated statements of assets and liabilities for the plan.

a. Change in the present value of defined benefit obligations

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined Benefit Obligation at beginning of the period/year	81.73	69.12	64.82	57.25
Interest cost	1.34	4.97	4.80	4.12
Current service cost	2.09	8.18	8.79	8.49
Re-measurement (or Actuarial (gain) / loss arising from				
- change in financial assumption	0.33	2.81	(5.75)	(1.11)
- change in experience	(0.79)	0.13	(0.44)	(1.54)
- change in Demographic Assumptions	-	-	-	-
Benefit paid	(0.77)	(3.48)	(3.10)	(2.39)
Defined Benefit Obligation at the end of the period/year	83.93	81.73	69.12	64.82

b. Change in fair value of Plan assets

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Fair value of plan assets at beginning of the period/year	74.38	71.50	58.03	40.05
Remeasurement (gain)/losses				
- Return on Plan assets excluding amount recognized in net interest expenses	(1.22)	0.22	0.25	0.34
Investment Income	1.22	5.14	4.30	2.88
Employer Contributions	-	1.00	12.02	17.15
Benefits paid	(0.77)	(3.48)	(3.10)	(2.39)
Fair value of plan assets at end of the period/year	73.61	74.38	71.50	58.03

c. Expenses Recognized in P&L

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	2.09	8.18	8.79	8.49
Past Service cost	-	-	-	-
Interest Cost	1.34	4.97	4.80	4.12
Return on Plan Asset	-	-	-	-
Investment income on Plan Assets	(1.22)	(5.14)	(4.30)	(2.88)
Net Cost	2.21	8.01	9.29	9.73

d. Expenses recognized in Other comprehensive income

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss on obligations due to change in experience/ financial assumptions	(0.46)	2.94	(6.19)	(2.65)
Return on Plan assets excluding amount recognized in net interest expenses	1.22	(0.22)	(0.25)	(0.34)
Net loss/(gain) recognized in OCI	0.76	2.72	(6.44)	(2.99)

e. The principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount Rate (per annum)	6.70%	6.75%	7.20%	7.40%
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	7.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Normal Retirement age	58 year	58 year	58 year	58 year
Attrition/ Withdrawal rate (Per annum)	5%	5%	5%	5%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

f. Detail of Provision for gratuity recognized in restated statement of assets and liabilities

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount recognized in restated statement of assets and liabilities				
Present value of defined Benefit Obligation at the end of the period/year	83.93	81.73	69.12	64.82
Fair value of plan assets at end of the period/year	73.61	74.38	71.50	58.03
Liability/(Asset) recognized in restated statement of assets and liabilities	10.32	7.35	(2.38)	6.79
Current liabilities/ (current assets)	-	-	(2.38)	-
Non-current liabilities	10.32	7.35	-	6.79

g. Expected contribution during the next annual reporting Period

The company's best estimate of contribution during the next year	19.67	13.01	5.77	15.31

h. Maturity Analysis of the Benefit Payments

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Within the next 12 months	13.92	13.71	7.75	6.91
Between 1 and 5 years	29.41	28.77	28.54	24.27
Between 5 and 10 years	33.76	32.07	30.02	29.27
10 years and above	83.65	83.79	75.49	83.71

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2025: 8 years, 31 March 2024: 8 years, 31 March 2023: 8 years).

i. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 30 June 2025 is as shown below:

Sensitivity Level	Discount rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	(77.84)	90.98
Sensitivity Level	Salary growth rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	90.91	(77.78)
Sensitivity Level	Attrition rate	
Increase/ (decrease) in defined benefit obligation	50% increase of attrition rate	50% decrease of attrition rate
	84.41	(83.25)

A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Sensitivity Level	Discount rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	(75.73)	88.65
Sensitivity Level	Salary growth rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	88.55	(75.72)
Sensitivity Level	Attrition rate	
Increase/ (decrease) in defined benefit obligation	50% increase of attrition rate	50% decrease of attrition rate
	82.21	(81.01)

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Sensitivity Level	Discount rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	(64.02)	75.00
Sensitivity Level	Salary growth rate	
Increase/ (decrease) in defined benefit obligation	1% increase	1% decrease
	74.87	(64.01)
Sensitivity Level	Attrition rate	
Increase/ (decrease) in defined benefit obligation	50% increase of attrition rate	50% decrease of attrition rate
	69.87	(68.04)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

		Discount rate	
		1% increase	1% decrease
Sensitivity Level			
Increase/ (decrease) in defined benefit obligation		(59.72)	70.74
		Salary growth rate	
		1% increase	1% decrease
Sensitivity Level			
Increase/ (decrease) in defined benefit obligation		70.57	(59.72)
		Attrition rate	
		50% increase of attrition rate	50% decrease of attrition rate
Sensitivity Level			
Increase/ (decrease) in defined benefit obligation		64.90	(64.64)

Sensitivities due to mortality is not material hence impact of change due to these are not calculated.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- c) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

c) Compensated Absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period/year-end.

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40 Financial Ratios

Ratio	Measurement unit	Numerator	Denominator	30 June 2025	31 March 2025	31 March 2024	31 March 2023	% of changes from 31 March 2025 to 31 March 2024		% of changes from 31 March 2024 to 31 March 2023	
								Variance %	Reason for variance	Variance %	Reason for variance
Current ratio	Times	Current assets	Current liabilities	0.86	0.86	0.93	1.09	-8.16%	Note A	-14.02%	Note A
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings+Lease liabilities]	Total equity	3.10	3.23	3.23	3.49	-0.02%	Note A	-7.37%	Note A
Debt service coverage ratio	Times	Profit/loss after tax + Depreciation and amortization expense + Finance costs +Loss on sale of fixed assets+ Other Non-cash operating (income)/ expenses	Interest payment + Principal repayment (including prepayments)+Lease payments	1.14	0.81	0.83	0.98	-2.96%	Note A	-14.83%	Note A
Return on equity ratio	Percentage	Profit after tax	Average total equity	7.15%	19.16%	6.69%	15.95%	186.26%	Note D	-58.04%	Note C
Inventory turnover ratio	Times	Revenue from operations	Average inventories	0.99	3.54	3.99	5.41	-11.31%	Note A	-26.29%	Note E
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	1.07	3.77	3.56	4.34	5.84%	Note A	-17.94%	Note A
Trade payables turnover ratio	Times	Purchases+ employee benefit expenses- gratuity and compensated absences + other direct related expenses	Average trade payables	1.64	6.19	4.97	6.97	24.53%	Note A	-28.70%	Note F
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	(3.02)	(9.81)	(26.89)	24.37	-63.50%	Note J	-210.31%	Note I
Net profit ratio	Percentage	Profit after tax	Revenue from operations	5.57%	4.16%	1.26%	2.29%	230.29%	Note G	-45.09%	Note H
Return on capital employed	Percentage	Earnings before interest and tax = Profit/loss before tax + Finance costs	Capital employed [Total equity + current and non-current borrowings - Intangible assets - Intangible assets under development - deferred tax assets (net)]	4.41%	12.23%	9.04%	10.18%	35.19%	Note G	-11.15%	Note A

Note:

A. Wherever change in ratio is less/more than 25%, no explanation is required.

B. The ratio for the three month period ended 30 June 2025 is not comparable because it has not been annualized.

C. Due to decrease in revenue and increase in closing inventory, overall PAT decreased.

D. Due to improved performance during FY 24-25 as compared to FY 23-24.

E. Due to higher average inventory holding and relatively lower consumption as compared to the previous year.

F. Due to decrease in purchase of goods as well as higher average trade payables on account of extended credit terms with suppliers.

G. Due to improvement in profitability as compared to previous year.

H. Due to decrease in revenue as compared to previous year.

I. On account of decrease in revenue and trade receivables as compared to previous year.

J. On account of increase in current borrowings as compared to previous year.

K. **Return on Investment:** This ratio is not applicable since the Company does not have any projects/investments other than current operations.

41 First time adoption of Ind AS

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company adopted 31 March 2025 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016 (as amended from time to time) and consequently 1 April 2023 as the transition date for preparation of its statutory financial statements for the year ended 31 March 2025. The financial statements for the year ended 31 March 2025, were the first financial statements prepared in accordance with Ind-AS. Upto the financial year ended 31 March 2024, the financial statements were prepared in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP" or "IGAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the financial year ending on 31 March 2025, together with the comparative period data as at and for the year ended 31 March 2024, as described in the summary of material accounting policies.

Financial statements for the year ended 31 March 2023 have been prepared in accordance with requirements of SEBI Circular dated 31 March 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI after making suitable adjustments to the accounting heads from its Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2023) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025. In preparing these Restated Financial Information, the Company has considered transition date to be 1 April 2022.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions applied

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and IGAAP have been recognized directly in equity (retained earnings). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the total equity as at 1 April 2022 and the total equity and total comprehensive income as at and for the year ended 31 March 2023 and 31 March 2024.

Ind AS Optional Exemptions

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous IGAAP to Ind AS.

Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

Reconciliation of Retained earnings as at 1 April 2022

Particular	Note	₹ (In millions)
Opening Balance as per IGAAP as on 1 April 2022		811.07
Ind AS Adjustment:		
Interest income on security deposits	A.1	0.12
Impact of right-of-use asset	A.2	(17.60)
Impact of lease liabilities	A.2	13.60
Fair value of trade receivables (impairment allowance-ECL)	A.3	(4.68)
Remeasurement of the defined benefit plans	A.5	(13.45)
Deferred tax	A.6	5.53
Borrowings	A.7	1.87
Opening Balance as per Ind AS as on 1 April 2022		796.46

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Equity reconciliation as on 31 March 2023

Particulars	Note	31 March 2023			
		Indian GAAP	GAAP Adjustments	Reclassification	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment		1,408.59	-	-	1,408.59
Right-of-use assets	A.2	-	210.72	-	210.72
Capital work-in-progress		225.69	-	-	225.69
Intangible assets		3.53	-	-	3.53
Financial assets					
i. Investments	A.4	33.10	(2.52)	-	30.58
ii. Other financial assets	A.1, B		(10.83)	64.83	54.00
Deferred tax assets (net)	A.6	54.49	15.49	-	69.98
Long terms loans and advances	B	178.60	-	(178.60)	-
Non-current tax assets (net)	B	-	-	7.23	7.23
Other non-current assets	B	80.60	-	98.03	178.63
Total non-current assets		1,984.60	212.85	(8.51)	2,188.95
Current assets					
Inventories	A.8	1,303.60	42.50	-	1,346.10
Financial assets					
i. Trade receivables	A.3, B	1,674.71	(72.07)	15.77	1,618.41
ii. Cash and cash equivalents		8.19	-	-	8.19
iii. Other financial assets	B	-	-	0.18	0.18
Other current assets	A.1, B	213.70	9.97	(7.44)	216.23
Total current assets		3,200.20	(19.60)	8.51	3,189.11
Total assets		5,184.80	193.25	-	5,378.06
EQUITY AND LIABILITIES					
Equity					
Equity Share capital		30.00	-	-	30.00
Other equity		965.20	(27.76)	-	937.44
Total equity		995.20	(27.76)	-	967.44
Liabilities					
Non-current liabilities					
Financial liabilities					
i. Borrowings	A.7, B	1,310.20	(0.87)	(17.34)	1,291.99
ii. Lease liabilities	A.2	-	163.66	-	163.66
Provisions	A.5	9.26	8.08	-	17.34
Total non-current liabilities		1,319.46	170.87	(17.34)	1,472.99
Current liabilities					
Financial liabilities					
i. Borrowings		1,876.44	-	-	1,876.44
ii. Lease liabilities	A.2	-	46.27	-	46.27
iii. Trade payables					
total outstanding dues of micro enterprises and small enterprises		-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	B	893.63	-	60.59	954.22
iv. Other financial liabilities	B	-	-	32.90	32.90
Other current liabilities	B	94.06	-	(76.14)	17.92
Provisions	A.5, B	6.01	3.87	(5.81)	4.07
Current tax liabilities (net)	B	-	-	5.81	5.81
Total current liabilities		2,870.14	50.14	17.35	2,937.63
Total equity and liabilities		5,184.80	193.25	0.01	5,378.06

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Reconciliation of profit or loss for the year ended 31 March 2023:

Particulars	Note	Indian GAAP (regrouped)	Ind AS Adjustments	Reclassification	Ind AS
Income					
Revenue from operations	A.8, B	6,149.40	(3.54)	(16.48)	6,129.38
Other income	A.1, B	29.00	1.92	(3.88)	27.04
Total income		6,178.40	(1.62)	(20.36)	6,156.42
Expenses					
Cost of raw material and components consumed		3,199.75	-	-	3,199.75
		(372.30)	(8.52)	-	(380.82)
Changes in inventories of finished goods, work-in-progress and scrap	A.8				
Employee benefits expense	A.5, B	544.63	1.51	4.89	551.03
Finance costs	A.2, A.7	212.80	15.46	-	228.26
Depreciation and amortization expense	A.2	314.10	40.74	-	354.84
Other expenses	A.3, B	2,070.60	(27.20)	(25.25)	2,018.15
Total expenses		5,969.58	21.99	(20.36)	5,971.21
Profit before tax		208.82	(23.61)	(0.00)	185.21
Tax expense:					
Current tax		64.65	-	-	64.65
Tax for earlier year		(0.26)	-	-	(0.26)
Deferred tax	A.6	(9.70)	(10.13)	-	(19.83)
Total tax expenses		54.69	(10.13)	-	44.56
Profit for the year		154.13	(13.48)	(0.00)	140.65
Other comprehensive income/ (loss)					
Item that will not to be reclassified subsequently to profit or loss					
-Re-measurement (loss)/gain of defined benefit plans	A.5	-	2.99	-	2.99
-Income tax relating to above items		-	(1.03)	-	(1.03)
Net other comprehensive income/(loss), not to be reclassified subsequently to profit or loss		-	1.96	-	1.96
Items that will be reclassified subsequently to profit or loss					
	A.4		(2.48)	-	(2.48)
Net (loss)/gain on investment through Other Comprehensive Income		-			
Income tax relating to above items			0.85	-	0.85
Net other comprehensive income/(loss) to be reclassified subsequently to profit or loss		-	(1.63)	-	(1.63)
Total other comprehensive income, net of tax		-	0.33	-	0.33
Total comprehensive income for the year		154.13	(13.15)	(0.00)	140.98

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Equity reconciliation as on 31 March 2024

Particulars	Note	31 March 2024			
		Indian GAAP	Adjustments	Reclassification	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment		1,402.27	-	-	1,402.27
Right-of-use assets	A.2	-	214.24	-	214.24
Capital work-in-progress	B	436.40	-	50.74	487.14
Intangible assets		3.33	-	-	3.33
Financial assets					
i. Investments	A.4	33.10	(0.49)	-	32.61
ii. Other financial assets	A.1, B	-	(16.02)	107.73	91.71
Deferred tax assets (net)	A.6	60.10	14.55	-	74.65
Long terms loans and advances	B	167.50	-	(167.50)	-
Non Current tax assets (net)	B	-	-	9.38	9.38
Other non-current assets	B	121.00	-	(2.84)	118.16
Total non-current assets		2,223.70	212.28	(2.49)	2,433.49
Current assets					
Inventories	A.8	1,312.10	14.61	-	1,326.71
Financial assets					
i. Trade receivables	A.3, B	1,402.90	(46.58)	21.72	1,378.04
ii. Cash and cash equivalents	B	10.40	-	(10.14)	0.26
iii. Other financial assets		-	-	-	-
Other current assets	A.9, B	92.80	4.06	(19.29)	77.57
Total current assets		2,818.20	(27.91)	(7.71)	2,782.58
Total assets		5,041.90	184.37	(10.20)	5,216.07
EQUITY AND LIABILITIES					
Equity					
Share capital		30.00	-	-	30.00
Other equity		1,054.20	(43.22)	-	1,010.98
Total equity		1,084.20	(43.22)	-	1,040.98
Liabilities					
Non-current liabilities					
Financial liabilities					
i. Borrowings	A.7, B	1,042.77	(0.49)	(15.26)	1,027.02
ii. Lease liabilities	A.2	-	156.65	-	156.65
Provisions	A.5	0.90	9.57	-	10.47
Total non-current liabilities		1,043.67	165.73	(15.26)	1,194.14
Current liabilities					
Financial liabilities					
i Borrowings		2,125.43	-	-	2,125.43
ii Lease liabilities	A.2	-	58.05	-	58.05
iii Trade payables					
total outstanding dues of micro enterprises and small enterprises		-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	B	679.30	-	53.69	732.99
iv Other financial liabilities	B	-	-	37.32	37.32
Other current liabilities	B	109.00	-	(85.95)	23.05
Provisions	A.5	0.30	3.81	-	4.11
Current tax liabilities (net)		-	-	-	-
Total current liabilities		2,914.03	61.86	5.06	2,980.95
Total equity and liabilities		5,041.90	184.37	(10.20)	5,216.07

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Notes to the Restated Financial Information

(All amounts are in ₹ millions, unless otherwise stated)

Reconciliation of profit or loss for the year ended 31 March 2024:

Particulars	Note	Indian GAAP (regrouped)	Ind AS Adjustment	Reclassifications	Ind AS
Income					
Revenue from operations	A.8, B	5,303.90	25.45	3.89	5,333.24
Other income	A.1, B	35.10	3.15	(11.56)	26.69
Total income		5,339.00	28.60	(7.67)	5,359.93
Expenses					
Cost of raw material and components consumed		2,428.65		-	2,428.65
			27.93	-	139.23
Changes in inventories of finished goods, work-in-progress and scrap	A.8	111.30			
Employee benefits expense	A.5, B	555.00	7.83	4.46	567.29
Finance costs	A.2, A.7	248.20	20.43	-	268.63
Depreciation and amortization expense	A.2	271.70	61.74	-	333.44
Other expenses	A.3, B	1,597.50	(66.23)	(12.13)	1,519.14
Total expenses		5,212.35	51.70	(7.67)	5,256.38
Profit before tax		126.65	(23.10)	0.00	103.55
Current tax		43.15	-	-	43.15
Tax for earlier year		-	-	-	-
Deferred tax	A.6	(5.60)	(1.20)	-	(6.80)
Total tax expenses		37.55	(1.20)	-	36.35
Profit for the year		89.10	(21.90)	0.00	67.20
Other comprehensive income/ (loss)					
Item that will not to be reclassified subsequently to profit or loss					
-Re-measurement (loss)/gain of defined benefit plans	A.5	-	6.44	-	6.44
-Income tax relating to above items		-	(1.62)	-	(1.62)
Net other comprehensive income/(loss), not to be reclassified subsequently to profit or loss		-	4.82	-	4.82
Items that will be reclassified to profit or loss					
Net (loss)/gain on investment through Other Comprehensive Income	A.4	-	2.03	-	2.03
Income tax relating to above items		-	(0.51)	-	(0.51)
Net other comprehensive income/(loss) to be reclassified subsequently to profit or loss		-	1.52	-	1.52
Total other comprehensive income, net of tax		-	6.34	-	6.34
Total comprehensive income for the year		89.10	(15.56)	0.00	73.54

Reconciliation of statement of cash flow for the year ended 31 March 2024

	Indian Gaap	Adjustments	Ind AS
Net cash flow from operating activities	774.11	25.70	799.81
Net cash (used in)/from investing activities	(520.14)	72.16	(447.98)
Net cash used in financing activities	(261.90)	(97.86)	(359.76)
Net increase in cash and cash equivalents	(7.93)	(0.00)	(7.93)
Cash and cash equivalents at the beginning of the year	8.19	-	8.19
Cash and cash equivalents at the end of the year	0.26	(0.00)	0.26

Reconciliation of statement of cash flow for the year ended 31 March 2023

	Indian Gaap	Adjustments	Ind AS
Net cash flow from operating activities	224.50	61.40	285.90
Net cash (used in)/from investing activities	(595.20)	(102.19)	(697.39)
Net cash (used in)/from financing activities	378.10	35.88	413.98
Net increase in cash and cash equivalents	7.40	(4.91)	2.49
Cash and cash equivalents at the beginning of the year	0.70	5.00	5.70
Cash and cash equivalents at the end of the year	8.10	0.09	8.19

Footnotes to the reconciliation of equity

A.1 Security deposits

Under Indian GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are recognized initially at fair value and subsequently recorded at amortized cost. Accordingly, the difference between the transaction and fair value of the security deposits paid towards lease rent is recognized along with Right-of-use assets and is depreciated over the period of the lease term on straight line basis as depreciation expense. Further, interest is accreted on the fair value of the security deposits and interest income is recognized over the tenure of security deposit.

A.2 Leases

Under Indian GAAP, the payments made under operating leases are charged to the statement of profit and loss. Under Ind AS, the Company has elected full retrospective approach and recognized right-of-use assets and lease liabilities on the transaction date. The impact of accumulated depreciation on right-of-use assets recognized and impact of interest on lease liability since the inception has been accounted in retained earnings. Further, impact of interest accretion on lease liability is shown under finance cost and depreciation on Right-of-use assets is shown under depreciation and amortization expenses.

A.3 Impairment of financial assets - Trade receivables

Under Indian GAAP, the Company has recognized provision for doubtful debts on specific trade receivable balances. Under Ind AS, the Company followed simplified approach to compute expected credit loss on trade receivables. The Company has measured loss allowance at an amount equal to lifetime expected credit losses for the trade receivables that do not contain a significant financing component.

A.4 Investments

- a) Under the Previous GAAP, long term investments were measured at cost. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries are measured at fair value. As at the transition date, the Company has accounted for these investments at fair value through other comprehensive income (FVTOCI).
- b) Under the Previous GAAP, the Company accounted for investments in mutual funds as non current investments measured at cost. Under Ind AS, the Company has designated such investments at fair value through other comprehensive income which are to be measured at fair value at each reporting date.

The difference between the fair value of these instruments and Indian GAAP carrying amount has been adjusted in the retained earnings and the impact of subsequent measurement is recognized as other comprehensive income.

A.5 Employee benefits - Defined Benefit Plan (Gratuity):

Both under Indian GAAP and Ind AS, the Company recognizes costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses] are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

A.6 Deferred tax assets

Indian 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 the 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. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments.

A.7 Borrowings (Term loan)

Under Indian GAAP, the transaction costs incurred in connection with borrowings are amortized on a straight line basis in the statement of profit and loss. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

A.8 Revenue and change in inventory

The management has reevaluated the timing of revenue recognition for the earlier periods, ensuring that revenue is recognized when control of goods is transferred to the customer (as per Ind AS 115). The adjustment to this effect is recognized in revenue and corresponding change in inventory in the respective year.

A.9 Export incentives

The Company had recognized export incentives under the RODTEP (Remission of Duties and Taxes on Export Products) scheme in its financial statements prepared in accordance with Previous GAAP. Under Ind AS, such incentives have been accounted for in accordance with the requirements of Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance. Accordingly, the export incentive income has been reclassified/adjusted as per Ind AS, resulting in changes in the classification and timing of recognition as compared to Previous GAAP.

B Reclassification done to comply with the presentation requirement of Schedule III of the Companies Act, 2013

Appropriate re-groupings have been made, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the period ended 30 June 2025 and year ended 31 March 2025 prepared in accordance with amendment to 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 & Disclosure Requirements) Regulations, 2018, as amended.

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42 Additional regulatory information required by Schedule III

(i) Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies

The Company has not made investment in any other company.

(v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

(vi) Utilization of borrowed funds

The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), 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

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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.

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current period or previous years in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current period and previous years.

(ix) Valuation of Property plant & equipment and other intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current period and previous years.

(x) Title deeds of immovable properties not held in name of the company

The title deeds of immovable property are held in the name of company.

(xi) Registration of charges or satisfaction with Registrar of Companies

The company doesn't have charges pending for registration with the ROC beyond the statutory period. However, correction/modification/Satisfaction of charges in favour of HDFC Bank Ltd. And YES Bank Ltd. are under process for correction/modification/satisfaction. .

(xii) Details of long term contracts including derivative contracts

The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

43 Events after the reporting period

The status of the Company has changed from "Private Company" to "Public Company". Pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, vide Board approval dated 30 September 2025 and approval of Shareholders dated 1 October 2025, the name of the Company has changed from "Milestone Gears Private Limited" to "Milestone Gears Limited" by deletion of the word "Private" from the name of the Company which was approved by Ministry of Corporate Affairs dated 7 October 2025.

The Board of Directors of the Company in its meeting held on 10 September 2025 and shareholders of the Company in the Extra Ordinary General Meeting held on 13 September 2025 approved the sub-division of 3,000,000 equity shares of ₹ 10 each into 15,000,000 equity shares of ₹ 2 each and issuance of bonus equity share of ₹ 2 each in the ratio of 5:1 for the Equity shares of ₹ 2 each.

44 Audit trail

The accounting software used for maintaining its books of account of the Company for the period ended 30 June 2025 and for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year. The management has not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating and the audit trail was preserved as per the statutory requirement for record retention.

45 Statement of restatement adjustments to audited financial statements

Reconciliation between audited equity and restated equity

	As at 30 June 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total equity as per Special Purpose Ind AS financial statements	1,355.68	1,262.64	1,040.98	967.44
Restatement Adjustments	-	-	-	-
Total equity as per Restated financial information	1,355.68	1,262.64	1,040.98	967.44

Reconciliation between audited profit and restated profit

	For the period ended 30 June 2025	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Total Comprehensive Income as per Special Purpose Ind AS financial statements	93.04	221.66	73.54	140.98
Restatement Adjustments	-	-	-	-
Restated Total Comprehensive Income	93.04	221.66	73.54	140.98

Material Regrouping

Appropriate regroupings have been made in the Restated Statement of Assets and Liabilities and Restated 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 Ind AS financial statements of the Company for the period ended 30 June 2025 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.

Non adjusting events

Emphasis of Matter and other matter paragraph which do not require any adjustments in the Restated Financial Information.

Period ended 30 June 2025:

We draw attention to Note 2.1 to the Special Purpose Interim Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Interim Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Interim Financial Statements may not be suitable for any other purpose. The Special Purpose Interim 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 financial information 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.

Year ended 31 March 2025:

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as the net worth of the company exceeded INR 250 crores in the previous year. The Company's financial statements upto and for the year ended 31 March 2024 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006. Year ended 31 March 2025 was the Company's first financial year which was prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards had been applied. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, which was the previous GAAP. An explanation of how the transition to Ind AS had impacted the previously reported financial position, financial performance and cash flow of the Company is provided in Note 41 of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Year ended 31 March 2024:

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. The Special Purpose 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 financial information 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.

Year ended 31 March 2023:

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of preparation of the restated 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 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. The Special Purpose 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 financial information 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.

Audit qualifications for the respective years, which do not require any corrective adjustments in the Restated Financial Information are as follows:				
In addition to the audit opinion on the Financial Statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order 2020 ("the CARO 2020 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial period ended 30 June 2025 and financial years ended 31 March 2025, 31 March 2024 and 31 March 2023 respectively. Certain statements/comments included in the CARO in the respective financial statements, which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented.				
For the period ended 30 June 2025				
Clause (vii) (a) of CARO 2020 Order				
Provident fund of INR 0.04 million and labour welfare fund of INR 0.02 million for the financial year 2024-25 have not been paid till 30 June 2025 due to mismatch in employee records with Company and PF department.				
For the year ended 31 March 2025				
Clause (vii) (a) of CARO 2020 Order				
Provident fund of INR 0.04 million and labour welfare fund of INR 0.02 million for the financial year 2024-25 have not been paid till 31 March 2025 due to mismatch in employee records with Company and PF department.				
For the year ended 31 March 2023				
Clause (vii) (a) of CARO 2020 Order				
Delay in deposits of Provident Fund/ Employee State Insurance was observed from 2 to 14 days. The aggregate amount of delay during the year amounts to INR 4.62 millions pertaining to employees share.				

46 Rounding off
Amounts mentioned as "0" in the Restated Financial Information denote amounts rounded off being less than ₹ Ten thousand.

As per our report of even date attached

For J.R.Khanna & Co. Chartered Accountants Firm registration number : 004315N	For and on behalf of the Board of directors of Milestone Gears Limited (Formerly known as Milestone Gears Private Limited)			
Anil Khanna Proprietor M No.083275 UDIN: 25083275BMGYQF2651 Place : Kalka Date : 12 November 2025	Ashok Kumar Tandon Chairman-cum-Executive Director DIN : 00968232 Place : Kalka Date : 12 November 2025	Aman Tandon Managing Director DIN: 02159395 Place : Kalka Date : 12 November 2025	Pankaj Budhiraja Chief Financial Officer Place : Kalka Date : 12 November 2025	Mohinder Singh Company Secretary M No. A21857 Place : Kalka Date : 12 November 2025

OTHER FINANCIAL INFORMATION

Accounting ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on pages 36, 309 and 367, respectively:

Particulars	As at and for the period ended June 30, 2025	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Earnings per share (basic) (in ₹) ^{^(1)}	1.04	2.45	0.75	1.56
Earnings per share (diluted) (in ₹) ^{^(1)}	1.04	2.45	0.75	1.56
Return on net worth (%) ^{^(2)}	6.90	17.47	6.46	14.54
Net asset value per Equity Share (basic) (in ₹) ^{^(3)}	15.06	14.03	11.57	10.75
Net asset value per Equity Share (diluted) (in ₹) ^{^(3)}	15.06	14.03	11.57	10.75
EBITDA (₹ in million) ^{^(4)}	317.67	963.05	705.62	768.31

*Not annualized for the period ended June 30, 2025.

^ Our company has sub-divided each of its equity shares bearing face value of ₹10 each into 5 Equity Shares bearing face value of ₹2 each pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. A bonus issuance had been carried out of 5 new shares per every 1 fully paid-up share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025. The number of shares used for the calculation of Net Asset Value, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of ICDR regulations, as applicable. The number of shares used for the calculation of EPS, have been calculated after giving retrospective effect to the sub-division and the bonus issuance as per the requirement / principles of Ind AS 33, as applicable.

Notes:

(1) Basic Earnings per Equity Share (₹) = Restated profit for the period / year attributable to equity Shareholders of the Company divided by weighted average no. of Equity Shares outstanding during the period / year. Diluted earnings per share is calculated by dividing Restated profit for the period/year attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period/year adjusted for the effect of dilutive potential equity shares. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.

(2) Return on net worth is calculated as Restated profit for the year/period attributable to equity Shareholders of the Company / Restated net worth at the end of the year/period.

(3) Net Asset Value per Equity Share = Net Worth as per the Restated Financial Information divided by Number of equity shares outstanding as at the end of year/period after giving effect to the sub-division and the bonus issuance.

(4) EBITDA represents the restated profit for the year/ period plus total tax expense, finance cost, depreciation and amortization expense.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for Fiscals 2025, 2024 and 2023 including the special purpose financial statements for Fiscals 2024 and 2023 identified in terms of the SEBI ICDR Regulations, for Fiscals 2025, 2024 and 2023, together with all the reports, annexures, schedules and notes thereto (collectively, the “**Audited Standalone Financial Statements**”) are available on our website at <https://www.milestonesgroup.co.in/investors/>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a 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, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Standalone Financial Statements should not be considered as part of information that any investor should consider when subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLMs or the Selling Shareholders, 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 Standalone Financial Statements, or the opinions expressed therein.

Reconciliation of Non-GAAP financial measures

For details of reconciliation of Non-GAAP Measures used in this Draft Red Herring Prospectus, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 384.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 ‘Related Party Disclosures’ for the period ended June 30, 2025 and Fiscals 2025, 2024 and 2023, read with the SEBI ICDR Regulations, and as reported in the Restated Financial Information, see “*Restated Financial Information – Note 34 – Related Party Disclosures*” on page 341.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 24. Also read “Risk Factors” and “- Significant Factors Affecting our Results of Operations and financial condition” on pages 36 and 367, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Financial Information” on page 309. Also see, “Definitions and Abbreviations” on page 6 for certain terms used in this section. Unless otherwise stated or the context otherwise requires, references in this section to “we”, “us”, “our”, “our Company” or “the Company” are to Milestone Gears Limited.

We have included certain non-GAAP measures and certain other statistical information relating to our operations and financial performance in this Draft 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, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under Ind AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardised 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. For reconciliations of certain non-GAAP financial indicators, see “—Non-GAAP Measures” and “Other Financial Information –Reconciliation of Non-GAAP Measures” on page 384 and 365, respectively. 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 – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable. 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 73.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Gears and Precision Components Industry Report” dated November 2025 (the “1Lattice Report”) prepared and issued by Lattice Technologies Private Limited, appointed by us on July 7, 2025 and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the 1Lattice Report is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>. For more information, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 72. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 21.

OVERVIEW

For details in relation to our business, see “Our Business” on page 233.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, prospects, results of operations and financial conditions are affected by a number of factors, including the following:

Macro-economic conditions and factors affecting the end-use sectors in which our customers operate

Our revenue and profitability are significantly correlated to general economic conditions, unemployment levels and customer confidence. The demand for our products depends to a large extent on general economic conditions in the end-use sectors which we cater to. Some of the general macro-economic factors that may affect demand for our products include:

- agriculture growth and its impact on the agricultural activity, which in turn impact the demand for farm equipment;
- investments in infrastructure projects, such as roads and highways and its impact on the demand for off-highway vehicles;
- fluctuations in oil prices can impact operating costs for vehicles, particularly in the transportation and logistics sectors;
- local and global fiscal and monetary dynamics, such as rise or fall in interest rates, foreign exchange rates and inflation rates can impact borrowing costs for businesses and end customers, which may affect their purchasing decisions for commercial vehicles, farm equipment and off-highway vehicles; and
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region.
- global and local economic, political and regulatory measures and developments, such as government policies to support the sectors 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 269.

The table below sets forth the revenues from various end-use sectors, expressed as a sale of products for the period/ years indicated:

End-use Sector	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products	Amount (₹ million)	% of sale of products
Tractors	1,311.16	83.30%	4,010.59	82.70%	3,896.22	79.24%	4,521.47	80.35%
Construction equipment	132.06	8.39%	549.04	11.32%	689.69	14.03%	570.76	10.14%
Electric vehicles	88.13	5.60%	198.09	4.08%	270.79	5.51%	524.78	9.33%
Locomotive	-	0.00%	0.06	0.00%	-	0.00%	-	0.00%
Windmills and other heavy industries	42.73	2.71%	91.52	1.89%	60.00	1.22%	10.28	0.18%
Total	1,574.08	100.00%	4,849.30	100.00%	4,916.70	100.00%	5,627.29	100.00%

The cyclical nature of general macro-economic conditions and, therefore, of the sectors 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 sectors 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 sectors and therefore, lower demand for our products. We expect that these macro-economic factors and conditions in the above sectors will continue to be the most important factor affecting our revenues and results of operations. For further information, see “*Industry Overview*” on page 159.

Further, we have a track record of developing complex, critical precision-engineered components for both the agricultural and construction equipment sectors over four decades. We intend to build on this success and leverage our engineering and product development capabilities to manufacture components that have applications in other sectors, with a particular focus on high-growth, high-margin sectors such as EV, locomotives and windmills. For further information, see “*Our Business – Our Strategies - Leveraging our technology and in-house precision engineering capability to grow our product portfolio and capitalize on business opportunities in high-growth, high-margin EV, locomotive and windmill sectors*” on page 244. Expanding into these sectors is expected to positively impact our results of operations by diversifying revenue streams. Leveraging existing engineering and product development capabilities may lead to improved operating leverage and better utilisation of manufacturing infrastructure. However, the initial phase of expansion may involve increased

investment in product development, tooling and customer acquisition. The overall financial impact will depend on the pace of execution, market acceptance, and the Company's ability to scale efficiently in these new sectors.

Cost and availability of raw materials

Our business, results of operations, financial condition and prospects are significantly impacted by the prices of raw materials purchased by us, particularly prices of alloy steel. The table below shows the cost of raw materials and components consumed as a percentage of our total expenses and revenue from operations, for the periods/years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Cost of raw materials and components consumed (₹ million)	749.40	2,505.61	2,428.65	3,199.75
Cost of raw materials and components consumed as a % of total expenses	48.06%	48.15%	46.20%	53.59%
Cost of raw materials and components consumed as a % of revenue from operations	44.60%	47.26%	45.54%	52.20%

Our financial condition and results of operations are also significantly impacted by the availability and costs of raw materials. The price and availability of alloy steel is subject to volatility and unavailability caused by various external conditions, including supply and demand dynamics, logistics and processing costs, our bargaining power with suppliers, inflation, governmental regulations and policies, overall economic conditions, production levels, market demand and competition for such materials, production, duties and taxes, and trade restrictions.

Any significant increase in the cost of alloy steel or disruption in its timely availability could adversely impact our production schedules, margins, and overall financial performance. We seek to mitigate these risks through multiple approved suppliers and industry practices, such as price adjustment mechanisms with OEMs. 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.

Relationship with and purchasing pattern of our marquee customers

We have established long-standing relationships with several marquee Indian and global customers across sectors. Between April 1, 2022 and June 30, 2025, we have served more than 50 customers. Some of our customers include United Gears and Assembly, Inc., Carraro India Limited, Escorts Kubota Limited and Caterpillar India Private Limited. We have long-standing relationships, on average, of more than 18 years with our top 10 customers (in terms of revenue from sale of products in Fiscal 2025) as of June 30, 2025. Further, our customers who have been associated with us for more than 10 years contributed ₹ 1,414.43 million, ₹ 4,508.59 million, ₹ 4,525.69 million and ₹ 5,059.27 million in the three months ended June 30, 2025 and Fiscal 2025, 2024 and 2023, representing 89.86%, 92.97%, 92.05 and 89.91% of our revenue from sale of products during the respective periods. The following tables set forth details of our revenue from sale of products from our top ten customers, in the period/ years indicated:

Particulars	Three months ended June 30, 2025		Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products	Amount (₹ million)	% of revenue from sale of products
Revenue from sale of products from the top 10 customers	1,463.30	92.96%	4,579.17	94.43%	4,740.47	96.42%	5,534.20	98.35%

The effect of variations in our customers' purchasing patterns is based on the forecasts from the customers, as is standard in the automotive and non-automotive sectors. Any increases or decreases in the levels of inventory and activity by our customers, in turn, are likely to have an effect on our revenues and our results of operations. Our customers, in turn, are dependent on general trends in the automotive and non-automotive sectors. See, “- Macro-economic conditions and

factors affecting the end-use sectors in which our customers operate” on page 368.

Availability of funds for capital expenditure

We continuously invest in machinery and equipment to expand our forging and machining capacity to seize opportunities for growth in the market. The following table sets forth details of our capital expenditure in the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capital expenditure (₹ million)*	82.89	755.94	467.55	646.55
Capital expenditure as a % of revenue from operations	4.93%	14.26%	8.77%	10.55%

*Capital expenditure is calculated as payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and movement in capital advance).

We propose to utilise a portion of our Net Proceeds for financing the capital expenditure requirements in relation to setting up of new manufacturing facility in proximity to our existing manufacturing units in Himachal Pradesh for manufacturing (i) electric vehicle (“EV”) components requiring high-speed precision gears, and (ii) heavy components for locomotives, windmills, and allied heavy industries. The land on which the proposed facility is to be set up is located at Khasra No. 274, Mohal Bated, Tehsil Baddi, District Solan, Himachal Pradesh. The land was acquired by our Company pursuant to a sale deed dated September 24, 2025, for a total consideration of ₹82.65 million. The total estimated cost for the facility is ₹3,047.88 million, out of which up to ₹2,964.21 million will be funded from the Net Proceeds, as certified by Deepankar Sharma, Chartered Engineer. For further details, see “Objects of the Offer – Proposed Greenfield Project” on page 123.

The actual amount and timing of our future capital expenditure may deviate from initial estimates due to various factors. These factors include unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological advancements, and emerging market developments and opportunities in the automotive and non-automotive sectors.

Fluctuations in exchange rates

Between April 1, 2022 and June 30, 2024, we have served customers across ten countries, including the United States of America, the United Kingdom, Turkey, Germany, Belgium, Italy, Brazil, China, Hungary and Malaysia. Our export sales are dependent upon the general economic condition of the countries where we export our products. Our revenue from outside India was ₹ 172.22 million, ₹ 510.18 million, ₹ 627.66 million and ₹ 854.20 million in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, representing 10.25%, 9.62%, 11.77% and 13.94% of our revenue from operations during these periods, respectively. The following table below sets forth details of our unrealized foreign exchange loss/(gain) for the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Unrealized foreign exchange loss/(gain) (₹ million)	(2.21)	0.02	(7.83)	9.45
Unrealized foreign exchange loss/(gain) as a % of revenue from operations	(0.13)%	Nil	(0.15)%	0.15%

In addition, our export sales are also dependent upon the policies of the governments of the importing countries and any changes to the policies of these countries relating to the exports from India, or the quality, characteristics and variety of the products exported by us to such countries could impact our revenues from exports. Our business could also be impacted by any regulatory development or change in the Govt’s policies on export including export duties and other forms of export restrictions. Further, our financial statements are presented in Indian Rupees. As a result of our exports, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies. While we do not have a hedging policy and have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency risk, our failure to hedge effectively against exchange rate fluctuations may adversely affect our business, results of operations, financial condition and cash flows.

PRESENTATION OF FINANCIAL INFORMATION

The Restated Financial Information comprises the restated statement of assets and liabilities as at June 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity, and the restated statement of cash flows for the three months ended June 30, 2025 and for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, the summary statement of material accounting policies, and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended from time to time. The Restated Financial Information are derived from the following:

- a) the audited special purpose interim financial statements of the Company as at and for the three months period ended June 30, 2025 prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India;
- b) the audited financial statements of the Company as at and for the year ended March 31, 2025, prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India; and
- c) the audited special purpose financial statements of the Company as at and for the years ended March 31, 2024, and March 31, 2023 prepared as special purpose financial statements on the basis as described in Note 2.1 to the Restated Financial Information and in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

MATERIAL ACCOUNTING POLICIES

The Restated Financial Information have been prepared using the accounting policies and measurement basis summarized below:

Current versus non-current classification

The Company presents assets and liabilities in the Restated Statement of assets and liabilities based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realized or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current

assets and liabilities.

Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is being charged on written down value basis over the estimated useful lives.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful lives (in years)
Buildings	30
Plant & Machinery	15
Factory Equipment	5
Electrical Installation	10
Furniture & Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

The assets' residual values and useful lives are reviewed at each reporting date or whenever there are indicators for impairment and adjusted prospectively.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on tangible assets is recognized in the Restated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Capital work in progress (CWIP)

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Statement of Profit and Loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets represent computer software and product development cost. Intangible assets are stated at their acquisition cost less accumulated amortization and impairment loss, if any. The cost of intangible asset comprises its purchase price, including any import duties and non-refundable taxes or levies and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are amortized in restated statement of profit and loss on a straight-line basis in accordance with the estimated useful lives of respective assets. The management's estimates of the useful lives of intangible assets are as follows:

Asset category	Estimated Useful lives (in years)
Software	5
Product development cost	5

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Statement of Profit and Loss when the asset is derecognized.

Intangible assets under development (IAUD)

Expenditure incurred on development activities is recognized as Intangible Assets Under Development when it meets the recognition criteria prescribed under Ind AS 38, i.e., when the project is technically feasible, the Company has the intention and ability to complete and use/sell the asset, future economic benefits are probable, and the costs can be measured reliably. Such expenditure is accumulated and shown under Intangible Assets Under Development until the asset is ready for its intended use, at which point it is reclassified to Intangible Assets and amortized over its estimated useful life.

Intangible assets under development are tested for impairment at each reporting date or whenever indicators of impairment exist.

The Company has commenced capitalization of development costs related to new product lines effective FY 2024–25, pursuant to confirmed commercial orders. The development expenditure includes cost incurred on materials, direct overheads, and other attributable costs which is initially recognized as Intangible Assets Under Development. Upon commencement of commercial supply, the amount under IAUD is transferred to Intangible Assets and amortized over a period of five years, representing the estimated economic life of the developed products.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period, to the extent that an entity borrows funds specifically for obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's restated statement of assets and liabilities when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial Recognition and Measurement

Financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Company becomes a party to the contractual provisions of the instrument. Recognized financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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 recognized immediately in profit or loss.

Classification and Subsequent Measurement

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

Amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held to collect contractual cash flows'); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortized cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognized in profit or loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition are also recognized in profit or loss.

The EIR method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognized in Other Comprehensive Income ('OCI'), except interest/dividend income which is restated statement of profit and loss. Amounts recorded in OCI are subsequently transferred to the restated statement of profit and loss in case of debt instruments, however, in case of equity instruments it will be directly transferred to reserves.

Equity instruments at FVOCI are not subject to an impairment assessment.

Fair value through profit or loss (FVTPL): Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI or either designated, are measured at FVTPL. Subsequent changes in fair value are recognized in restated statement of profit and loss.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's restated statement of assets and liabilities) when:

- (a) the contractual rights to receive cash flows from the asset have expired, or

(b) the Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the asset to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Financial assets that are debt instruments, and are measured at amortized cost e.g. security deposits, and fixed bank deposits;

For recognition of impairment loss on these financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

The Company recognizes loss allowances for ECLs on financial assets measured at amortized costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and other financial assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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 Company 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 in order to comply with the Company's procedures for recovery of amounts due.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost (loan and borrowings), as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, other financial liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities at amortized costs (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Restated Statement of Profit and Loss.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Restated Statement of Profit and Loss.

Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operation. Such changes are evident to external parties. A change in the business model occurs when the Company either or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting period following the change in the business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Restated Statement of Assets and Liabilities if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Foreign currencies

The Company's restated financial information is presented in Indian Rupees (₹), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which a company operates and is normally the currency in which the company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Income taxes

Income tax expense comprises current tax and deferred tax.

Current tax

Current tax assets and liabilities are measured at amounts expected to be paid to or recovered from taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

Current tax relating to items outside profit or loss is recognized outside profit or loss. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognized, using the balance sheet method, on all deductible and taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and on carry forward of unused tax credits and unused tax loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Any such

write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. There is no diluted earnings per share as there are no dilutive potential equity shares as at the reporting date.

Revenue recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on dispatch or delivery of the goods, depending on the terms agreed with the customer. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of gears, axels and shaft, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from sale of products excludes GST and is net of sales returns, trade discounts.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide customers with a right of return the goods within a specified period.

Rebates and discounts

The Company accounts for cash discounts to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and

when the customer pays for that good or service will be one year or less.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (h) Financial instruments.

Contract liabilities

Contract liabilities (termed as Advance from customers in the financial information) represents the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Sale of services

Sale of services represents revenue from Tooling Income/die design. Revenues from Tooling Income/die design and preparation charges are recognized as and when the significant risks and rewards of ownership of dies are transferred to the customers as per the terms of the contract. The normal credit period is 30 to 90 days.

Other income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the Restated Statement of Profit and Loss.

Employee Benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Labour Welfare Fund and Pension Scheme.

The Company has no obligation, other than the contribution payable to the above fund and scheme. The Company recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plans

The cost of the defined benefit gratuity plan and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates.

Company's liability towards gratuity is determined at each period/year end. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the restated statement of assets and liabilities with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the restated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Long-term employee benefits

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Restated Statement of Profit and Loss.

Leases

Company as a lessee

Definition of a lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items of plant and machinery, land and buildings etc.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Class of asset	Lease period/useful lives (in years)
Land and Buildings	5
Plant and machineries	5

The right-of-use assets are also subject to impairment. The Right-of-use assets are presented as separate line item in the restated statement of assets and liabilities.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives.

Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the restated statement of assets and liabilities under financial liabilities.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of units and office leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the restated statement of assets and liabilities based on their respective nature.

Provisions, contingencies and commitments

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Restated Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities and contingent assets

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises 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
- b) a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises 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. Contingent assets are neither recognized nor disclosed in the financial informations.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Impairment of non-financial assets

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the restated statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

Fair Value 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial informations on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Inventories

Inventories which comprises of finished goods, raw material, packing material and stores and spares are carried at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of fixed manufacturing overheads based on the normal operating capacity. Cost of finished goods is determined using weighted average method.
- Stores and spares: Cost includes cost of purchase, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method.
- Scrap is valued at estimated realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on item by item basis.

Cash and cash equivalents

Cash and cash equivalents in the restated statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Restated statement of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits, as they are considered an integral part of the Company's cash management.

Cash flow statements

The Restated Cash flow statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard 7, “Statement of Cash Flows” whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

Segment Reporting

As per the compliance of Ind AS 108 operating segments are identified based on reports reviewed by CODM (chief operating decision-maker). Operating segments can either be based on products/services or on geographical basis. It is reported in a manner which is consistent with the internal reporting provided to the judgment of CODM.

Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the three months ended June 30, 2025 and in Fiscal 2025, 2024 and 2023.

NON-GAAP MEASURES

Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Net Worth, Return on Capital Employed, Net Debt to Equity Ratio and Fixed Asset Turnover Ratio (together, “**Non-GAAP Measures**”), presented in this section is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period 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 US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such 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 as they are widely used measures to evaluate a company’s operating performance.

Reconciliation of Non-GAAP Measures

Reconciliation of EBITDA and EBITDA Margin

EBITDA is calculated as restated profit for the year/ period plus finance costs, depreciation and amortisation and total income tax expenses and EBITDA margin is calculated as EBITDA divided by revenue from operations.

Particulars	Three months ended June 30, 2025	Fiscal		
		2025	2024	2023
	(₹ million, except percentages)			
Restated profit for the period/year (I)	93.61	220.64	67.20	140.65
Depreciation and amortization expense (II)	110.09	405.44	333.44	354.84
Finance costs (III)	81.56	292.13	268.63	228.26
Total tax expenses (IV)	32.41	44.84	36.35	44.56
EBITDA (A = I+II+III+IV)	317.67	963.05	705.62	768.31
Revenue from operations (B)	1,680.34	5,301.69	5,333.24	6,129.38
EBITDA Margin % (A/B)	18.91%	18.16%	13.23%	12.53%

Reconciliation of PAT Margin

PAT Margin is calculated as restated profit for the period/year divided by revenue from operations.

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)			
Restated profit for the year (A)	93.61	220.64	67.20	140.65
Revenue from operations (B)	1,680.34	5,301.69	5,333.24	6,129.38
PAT Margin % (A/B)	5.57%	4.16%	1.26%	2.29%

Reconciliation of Return on Net Worth

Return on net worth is calculated as restated profit for the period/ year divided by net worth.

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)			
Restated profit for the period/ year (A)	93.61	220.64	67.20	140.65
Net worth (B)	1,355.68	1,262.64	1,040.98	967.44
Return on Net worth (%) (A/B)	6.90	17.47	6.46	14.54

*The figures are on an unannualized basis for the three months ended June 30, 2025.

Reconciliation of Return on Capital Employed

Return on capital employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus current and non-current borrowings minus intangible assets minus intangible assets under development minus deferred tax assets while EBIT is calculated as restated profit before tax for the year/ period plus finance costs.

Particulars	As at/ for the three months ended June 30, 2025	As at/ for the year ended March 31, 2025	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023
	(₹ million, except percentages)			
Restated profit before tax (I)	126.02	265.48	103.55	185.21
Finance costs (II)	81.56	292.13	268.63	228.26
EBIT (A = I + II)	207.58	557.61	372.18	413.47
Total equity (III)	1,355.68	1,262.64	1,040.98	967.44
Borrowings (current plus non current borrowings) (IV)	3,825.81	3,727.57	3,152.45	3,168.43
Intangible assets (V)	102.95	62.34	3.33	3.53
Intangible assets under development (VI)	282.54	285.70	-	-
Deferred tax assets (net) (VII)	86.71	81.13	74.65	69.98
Capital Employed (B = III + IV – V – VI – VII)	4,709.28	4,561.04	4,115.46	4,062.36
Return on Capital Employed (A/B)	4.41%*	12.23%	9.04%	10.18%

*The figures are on an unannualized basis for the period ended June 30, 2025.

Reconciliation of Gross Profit and Gross Margin

Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus (increase)/decrease in inventories of finished goods, work-in-progress and scrap and gross margin is calculated as gross profit divided by revenue from operations.

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
	(₹ million, except percentages)			
Revenue from operations (I)	1,680.34	5,301.69	5,333.24	6,129.38
Cost of raw materials and components consumed (II)	749.40	2,505.61	2,428.65	3,199.75
(Increase)/decrease in inventories of finished goods, work-in-progress and scrap (III)	(33.76)	(326.19)	139.23	(380.82)
Gross Profit (A = I - II - III)	964.70	3,122.27	2,765.36	3,310.45
Gross Margin (B = A/I)	57.41%	58.89%	51.85%	54.01%

Reconciliation of Net Debt to Equity Ratio

Net Debt to equity is calculated as net debt divided by total equity. Net debt is calculated as non current borrowings plus current borrowings plus non current lease liabilities plus current lease liabilities minus total of cash and cash equivalents.

Particulars	As at June 30, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	(₹ million, unless otherwise stated)			
Non-current borrowings (I)	771.75	854.31	1,027.02	1,291.99
Current borrowings (II)	3,054.06	2,873.26	2,125.43	1,876.44
Non-current lease liabilities (III)	268.73	257.46	156.65	163.66
Current lease liabilities (IV)	111.68	98.14	58.05	46.27
Cash and cash equivalents (V)	0.39	0.39	0.26	8.19
Net Debt (A = I + II + III + IV - V)	4,205.83	4,082.78	3,366.89	3,370.17
Total Equity (B)	1,355.68	1,262.64	1,040.98	967.44
Net Debt to Equity (in times) (A/B)	3.10	3.23	3.23	3.48

Reconciliation of Fixed Asset Turnover Ratio

Fixed asset turnover ratio is calculated as revenue from operations divided by average net block of property, plant and equipment and capital work in progress.

Particulars	As at June 30, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	(₹ million, unless otherwise stated)			
Revenue from operations (A)	1,680.34	5,301.69	5,333.24	6,129.38
Net block of Property, plant and equipment (B)	1,503.16	1,576.91	1,402.27	1,408.59
Capital work in progress (C)	417.33	325.02	487.14	225.69
Average net block of property, plant and equipment and capital work in progress (D)	1,911.21	1,895.67	1,761.85	1,511.04
Fixed asset turnover ratio (E=A/D)	0.88	2.80	3.03	4.06

*The figures are on an unannualized basis for the period ended June 30, 2025.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises: (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) revenue from contracts with customers including sale of products and services; and (b) other operating revenue including duty drawback and export benefit and sale of scrap.

Other Income

Other income includes (i) interest income on financial assets measured at amortized cost including on fixed deposits and on security deposits; (ii) insurance claim received; (iii) liabilities written back; (iv) reversal of loss allowance; (v) gain on

foreign exchange variation (net); (vi) gain on sale of property, plant and equipment; (vii) business support services; and (viii) rental income.

Expenses

Our total expenses comprise (i) cost of raw materials and components consumed; (ii) changes in inventories of finished goods, work-in-progress and scrap; (iii) employee benefits expense; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Cost of raw materials and components consumed

Cost of raw materials and components consumed comprises primarily alloy steel.

Changes in inventories of finished goods, work in progress and scrap

Changes in inventories of finished goods, work in progress and scrap consists of opening and closing stock including finished goods, work-in-progress and scrap and waste.

Employee benefits expense

Employee benefits expense comprises (i) salaries, wages, and bonus, (ii) contribution to provident and other funds, (iii) gratuity, (iv) compensated absences, and (v) staff welfare expenses.

Finance costs

Finance costs primarily comprises (i) interest on borrowings, lease liabilities and others, and (ii) bank charges.

Depreciation and amortisation expense

Depreciation and amortisation expense comprises (i) depreciation of property, plant and equipment, (ii) amortisation of intangible assets, and (iii) amortisation of right-of-use assets.

Other expenses

Other expenses comprises (i) consumption of loose tools, (ii) consumption of stores and spares, (iii) packing materials, (iv) labour/job work charges, (v) rent expenses, (vi) repair and maintenance including buildings, plant and machinery and others, (vii) vehicle running and maintenance, (viii) power, fuel and water, (ix) freight and forwarding expenses, (x) rates and taxes, (xi) legal and professional fees, (xii) travelling and conveyance, (xiii) corporate social responsibility and donation, (xiv) donation, (xv) payment to auditors, (xvi) marketing expenses, (xvii) loss on sale of property and equipment, (xviii) balance written off, (xix) bad debts written off, (xx) allowance for bad and doubtful debts, (xxi) security charges, (xxii) testing and calibration expenses, (xxiii) printing and stationary, (xxiv) loss on foreign exchange variation (net), (xxv) insurance expenses, and (xxvi) miscellaneous expenses.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for the three months ended June 30, 2025 and the Fiscals 2025, 2024 and 2023:

Particulars	Three months ended June 30, 2025		Fiscal					
			2025		2024		2023	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
Income								
Revenue from operations	1,680.34	99.71%	5,301.69	96.94%	5,333.24	99.50%	6,129.38	99.56%
Other income	4.90	0.29%	167.20	3.06%	26.69	0.50%	27.04	0.44%
Total Income	1,685.24	100.00%	5,468.89	100.00%	5,359.93	100.00%	6,156.42	100.00%
Expenses								
Cost of raw	749.40	44.47%	2,505.61	45.82%	2,428.65	45.31%	3,199.75	51.97%

Particulars	Three months ended June 30, 2025		Fiscal					
			2025		2024		2023	
	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)	Amount (₹ million)	Percentage of Total Income (%)
materials and components consumed								
Changes in inventories of finished goods, work-in-progress and scrap	(33.76)	(2.00)%	(326.19)	(5.96)%	139.23	2.60%	(380.82)	(6.19)%
Employee benefits expense	142.05	8.43%	528.59	9.67%	567.29	10.58%	551.03	8.95%
Finance costs	81.56	4.84%	292.13	5.34%	268.63	5.01%	228.26	3.71%
Depreciation and amortisation expense	110.09	6.53%	405.44	7.41%	333.44	6.22%	354.84	5.76%
Other expenses	509.88	30.26%	1,797.83	32.87%	1,519.14	28.34%	2,018.15	32.78%
Total expenses	1,559.22	92.52%	5,203.41	95.15%	5,256.38	98.07%	5,971.21	96.99%
Restated profit before tax	126.02	7.48%	265.48	4.85%	103.55	1.93%	185.21	3.01%
Tax expense								
Current tax	37.80	2.24%	51.67	0.94%	43.15	0.81%	64.65	1.05%
Tax for earlier year	-	-	-	-	-	-	(0.26)	-
Deferred tax	(5.39)	(0.32)%	(6.83)	(0.12)%	(6.80)	(0.13)%	(19.83)	(0.32)%
Total tax expense	32.41	1.92%	44.84	0.82%	36.35	0.68%	44.56	0.72%
Restated Profit for the year	93.61	5.55%	220.64	4.03%	67.20	1.25%	140.65	2.28%

THREE MONTHS ENDED JUNE 30, 2025

Total Income

Total income was ₹ 1,685.24 million in the three months ended June 30, 2025 on account of the following:

Revenue from Operations

Revenue from operations was ₹ 1,680.34 million in the three months ended June 30, 2025 primarily on account of (i) sale of products amounting to ₹ 1,574.08 million and sale of services of ₹ 2.39 million; and (ii) other operating revenue amounting to ₹ 103.87 million primarily on account of duty drawback and export benefit of ₹ 6.19 million and sale of scrap of ₹ 97.68 million.

Other Income

Other income was ₹ 4.90 million in the three months ended June 30, 2025 primarily on account of gain on foreign exchange variation (net) amounting to ₹ 1.83 million, interest income on financial assets measured at amortized cost on fixed deposits amounting to ₹ 1.08 million, liabilities written back amounting to ₹ 0.88 million, reversal of loss allowance amounting to ₹ 0.44 million and rental income of ₹ 0.32 million.

Total Expenses

Total expenses was ₹ 1,559.22 million in the three months ended June 30, 2025 primarily on account of (i) cost of raw materials and components consumed; (ii) other expenses; (iii) employee benefits expense; (iv) depreciation and amortization expense; and finance costs, in the manner set out below.

Cost of raw materials and components consumed

Cost of raw materials and components consumed was ₹ 749.40 million in the three months ended June 30, 2025 on account

of consumption of alloy steel.

Changes in inventories of finished goods, work-in-progress and scrap

There was an increase in inventories of finished goods, work-in-progress and scrap by ₹ 33.76 million in the three months ended June 30, 2025 primarily due to an increase in inventory of finished goods by ₹ 33.76 million in the three months ended June 30, 2025.

Employee benefits expense

Employee benefit expense was ₹ 142.05 million in the three months ended June 30, 2025 primarily on account of (i) salaries, wages bonus amounting to ₹ 127.21 million; (ii) contribution to provident and other funds amounting to ₹ 7.15 million; and (iii) staff welfare expenses amounting to ₹ 3.66 million; (iv) gratuity amounting to ₹ 2.21 million; and (v) compensated absences amounting to ₹ 1.82 million.

Finance costs

Finance costs was ₹ 81.56 million in the three months ended June 30, 2025 primarily on account of (i) borrowings amounting to ₹ 70.90 million comprising interest cost on borrowings; and (ii) lease liabilities amounting to ₹ 8.54 million.

Depreciation and amortisation expense

Depreciation and amortisation expense was ₹ 110.09 million in the three months ended June 30, 2025 on account of (i) depreciation of property, plant and equipment amounting to ₹ 75.59 million; (ii) amortisation of right-of-use assets ₹ 28.74 million; and (iii) amortization of intangible assets amounting to ₹ 5.76 million.

Other expenses

Other expenses was ₹ 509.88 million in the three months ended June 30, 2025 primarily on account of expenses on (i) labour/ job work charges amounting to ₹ 167.11 million; (ii) consumption of loose tools amounting to ₹ 123.37 million; power, fuel and water amounting to ₹ 76.93 million; and (iii) repair and maintenance on plant and machinery amounting to ₹ 27.78 million.

Tax Expense

Total tax expense was ₹ 32.41 million in the three months ended June 30, 2025. Current tax was ₹ 37.80 million in the three months ended June 30, 2025. Deferred tax was ₹ (5.39) million in the three months ended June 30, 2025.

Restated Profit for the Year

For the reasons discussed above, restated profit for the year was ₹ 93.61 million in the three months ended June 30, 2025.

FISCAL 2025 COMPARED TO FISCAL 2024

Total Income

Total income increased by 2.03% from ₹ 5,359.93 million in Fiscal 2024 to ₹ 5,468.89 million in Fiscal 2025 primarily on account of an increase in other income for the reasons indicated below:

Revenue from Operations

Revenue from operations decreased by 0.59% from ₹ 5,333.24 million in Fiscal 2024 to ₹ 5,301.69 million in Fiscal 2025 primarily on account of decrease in sale of products by 1.39% from ₹ 4,916.70 million in Fiscal 2024 to ₹ 4,849.30 million in Fiscal 2025.

Notwithstanding the decline, our sales volume increased by 12.70% from 31,397 metric tonnes in Fiscal 2024 to 35,390 MT in Fiscal 2025. However, the benefit of higher volumes was offset by a decline in steel prices, our principal raw material. This deflation in input costs led to a corresponding reduction in the average realisation per tonne, thereby impacting the overall sale of products. The decline in realisation contributed to a reduction in sales revenue from products, despite the increase in physical sales volumes. Additionally, the decrease in our revenue from the sale of products was partly attributable to subdued sales to one of our key customers during the first half of Fiscal 2025, with supplies resuming

in the third quarter, as well as the discontinuation of a specific export part by a customer, which affected our export revenues.

Further, our decrease in sale of products was partially offset by an increase in sale of services from ₹ 25.36 million in Fiscal 2024 to ₹ 47.99 million in Fiscal 2025 primarily on account of an increase in tooling charges for product development undertaken for new and existing customers in Fiscal 2025. Further, other operating revenue forming part of revenue from operations increased from ₹ 391.18 million in Fiscal 2024 to ₹ 404.40 million in Fiscal 2025 primarily on account of increase in sale of scrap from ₹ 376.71 million in Fiscal 2024 to ₹ 390.87 million in Fiscal 2025.

Other Income

Other income increased from ₹ 26.69 million in Fiscal 2024 to ₹ 167.20 million in Fiscal 2025. This increase was primarily due to an increase in gain on sale of property, plant and equipment from ₹ 3.22 million in Fiscal 2024 to ₹ 134.59 million in Fiscal 2025 on account of profit on sale of land and reversal of loss allowance from nil in Fiscal 2024 to ₹ 7.64 million in Fiscal 2025.

Total Expenses

Total expenses decreased by 1.01% from ₹ 5,256.38 million in Fiscal 2024 to ₹ 5,203.41 million in Fiscal 2025 primarily on account of decrease in employee benefits expense and an increase in inventories of finished goods, work-in-progress and scrap in the manner set out below.

Cost of raw materials and components consumed

Cost of raw materials and components consumed increased by 3.17% from ₹ 2,428.65 million in Fiscal 2024 to ₹ 2,505.61 million in Fiscal 2025 primarily on account of an increase in sales volume.

Changes in inventories of finished goods, work-in-progress and scrap

There was an increase in inventories of finished goods, work-in-progress and scrap by ₹ 326.19 million in Fiscal 2025, primarily due to an increase in inventory of finished goods by ₹ 160.25 million and an increase in inventory of work-in-progress by ₹ 165.58 million in Fiscal 2025, whereas there was a decrease in inventories of finished goods, work-in-progress and scrap by ₹ 139.23 million in Fiscal 2024 primarily due to a decrease in inventory of finished goods by ₹ 127.57 million and an decrease in inventory of work-in-progress by ₹ 17.54 million in Fiscal 2024.

Employee benefits expense

Employee benefit expense decreased by 6.82% from ₹ 567.29 million in Fiscal 2024 to ₹ 528.59 million in Fiscal 2025 primarily on account of (i) a decrease in salaries, wages and bonus from ₹ 502.68 million in Fiscal 2024 to ₹ 467.21 million in Fiscal 2025 on account of savings on wages associated with production and sales activities and discontinuation of casual leave payments; (ii) an increase in contribution to provident and other funds from ₹ 25.96 million in Fiscal 2024 to ₹ 27.31 million in Fiscal 2025; and (iii) a decrease in staff welfare expenses from ₹ 20.94 million in Fiscal 2024 to ₹ 18.87 million in Fiscal 2025 on account of savings on manpower cost.

Finance costs

Finance costs increased by 8.75% from ₹ 268.63 million in Fiscal 2024 to ₹ 292.13 million in Fiscal 2025, primarily on account of (i) an increase in interest on - borrowings from ₹ 245.97 million in Fiscal 2024 to ₹ 259.18 million in Fiscal 2025, on lease liabilities from ₹ 20.01 million in Fiscal 2024 to ₹ 26.65 million Fiscal 2025 due to acquisition of leased machinery, and interest on others from ₹ 0.50 million in Fiscal 2024 to ₹ 5.24 million in Fiscal 2025 on account of higher average utilisation of working capital limits.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 21.59% from ₹ 333.44 million in Fiscal 2024 to ₹ 405.44 million in Fiscal 2025 on account of an increase in (i) depreciation of property, plant and equipment from ₹ 270.09 million in Fiscal 2024 to ₹ 304.56 million in Fiscal 2025; (ii) higher amortisation of right-of-use assets from ₹ 61.75 million in Fiscal 2024 to ₹ 90.29 million in Fiscal 2025; (iii) increased amortisation of intangible assets, from ₹ 1.60 million in Fiscal 2024 to ₹ 10.59 million in Fiscal 2025.

Other expenses

Other expenses increased by 18.35%, from ₹ 1,519.14 million in Fiscal 2024 to ₹ 1,797.83 million in Fiscal 2025, primarily on account an increase in consumption of loose tools from ₹ 366.21 million in Fiscal 2024 to ₹ 515.12 million in Fiscal 2025, an increase in labour/ job work charges from ₹ 514.20 million in Fiscal 2024 to ₹ 593.82 million in Fiscal 2025, and an increase in power, fuel and water from ₹ 207.59 million in Fiscal 2024 to ₹ 231.01 million in Fiscal 2025. This increase was partially offset by a decrease in bad debts written off from ₹ 13.51 million in Fiscal 2024 to nil in Fiscal 2025.

Tax Expense

Total tax expense increased by 23.35% from ₹ 36.35 million in Fiscal 2024 to ₹ 44.84 million in Fiscal 2025. Current tax increased from ₹ 43.15 million in Fiscal 2024 to ₹ 51.67 million in Fiscal 2025 due to sale of land. The deferred tax was ₹ (6.80) million in Fiscal 2024 compared to deferred tax of ₹ (6.83) million in Fiscal 2025.

Restated Profit for the Year

For the reasons discussed above, restated profit for the year increased by 228.33% from ₹ 67.20 million in Fiscal 2024 to ₹ 220.64 million in Fiscal 2025.

FISCAL 2024 COMPARED TO FISCAL 2023

Total Income

Total income decreased by 12.94% from ₹ 6,156.42 million in Fiscal 2023 to ₹ 5,359.93 million in Fiscal 2024 on account of decrease in revenue from operations and other income in the manner set out below:

Revenue from Operations

Revenue from operations decreased by 12.99% from ₹ 6,129.38 million in Fiscal 2023 to ₹ 5,333.24 million in Fiscal 2024, primarily on account of a decrease in sale of products from ₹ 5,627.29 million in Fiscal 2023 to ₹ 4,916.70 million in Fiscal 2024. This was mainly attributable to:

- (i) a decrease in revenue from the tractors sector which decline from ₹ 4,521.47 million in Fiscal 2023 to ₹ 3,896.22 million in Fiscal 2024, reflecting a reduction in sales volume in line with the overall tractor market, where sales volume decreased from 1.07 million units in Fiscal 2023 to 0.97 million units in Fiscal 2024 in terms of wheel drives (*Source: 1Lattice Report*); and
- (ii) a decrease in revenue from the EV sector from ₹ 524.78 million in Fiscal 2023 to ₹ 270.79 million in Fiscal 2024, primarily on account of a decline in revenue from one of the customers operating in the EV sector in Fiscal 2024 due to a delay in launch of one of their products.

Further, our sale of services forming part of our revenue from operations increased from ₹ 7.38 million in Fiscal 2023 to ₹ 25.36 million in Fiscal 2024 primarily on account of an increase in tooling charges for product development undertaken for new and existing customers in Fiscal 2024. Further, other operating revenue decreased from ₹ 494.71 million in Fiscal 2023 to ₹ 391.18 million in Fiscal 2024 on account of decrease in sale of scrap from ₹ 469.82 million in Fiscal 2023 to ₹ 376.71 million in Fiscal 2024 and duty drawback and export benefit from ₹ 24.89 million in Fiscal 2023 to ₹ 14.47 million in Fiscal 2024.

Other Income

Other income decreased by (1.29)% from ₹ 27.04 million in Fiscal 2023 to ₹ 26.69 million in Fiscal 2024. This decline was primarily due to an increase in gain on foreign exchange variation (net) from ₹ 10.34 million in Fiscal 2023 to ₹ 15.40 million in Fiscal 2024 set off by a decrease in business support services from ₹ 8.70 million to nil, and a decrease in liabilities written back from ₹ 3.32 million in Fiscal 2023 to nil in Fiscal 2024.

Total Expenses

Total expenses decreased by 11.97% from ₹ 5,971.21 million in Fiscal 2023 to ₹ 5,256.38 million in Fiscal 2024 primarily on account of decrease in (i) costs of raw materials and components consumed; (ii) depreciation and amortization expense; and (iii) other expenses, in the manner set out below.

Cost of raw materials and components consumed

Cost of raw materials and components consumed decreased by 24.10% from ₹ 3,199.75 million in Fiscal 2023 to ₹ 2,428.65 million in Fiscal 2024 primarily on account of a decrease in sales volume of our products for tractors and EVs.

Changes in inventories of finished goods, work-in-progress and scrap

There was a decrease in inventories of finished goods, work-in-progress and scrap by ₹ 139.23 million in Fiscal 2024 primarily due to a decrease in inventory of finished goods by ₹ 127.57 million and an decrease in inventory of work-in-progress by ₹ 17.54 million in Fiscal 2024, whereas there was an increase in inventories of finished goods, work-in-progress and scrap by ₹ 380.82 million in Fiscal 2023, primarily due to an increase in inventory of finished goods by ₹ 285.13 million and an increase in inventory of work-in-progress by ₹ 104.49 million in Fiscal 2023.

Employee benefits expense

Employee benefits expenses increased by 2.95% from ₹ 551.03 million in Fiscal 2023 to ₹ 567.29 million in Fiscal 2024, primarily on account of an increase in salaries, wages and bonus from ₹ 483.67 million in Fiscal 2023 to ₹ 502.68 million in Fiscal 2024 on account of leave encashment costs; and decrease in compensated absences from ₹ 10.59 million in Fiscal 2023 to ₹ 8.42 million in Fiscal 2024.

Finance costs

Finance costs increased by 17.69% from ₹ 228.26 million in Fiscal 2023 to ₹ 268.63 million in Fiscal 2024, primarily on account of an increase in interest cost on borrowings from ₹ 209.42 million in Fiscal 2023 to ₹ 245.97 million in Fiscal 2024 on account of interest provision on lease liabilities as per Ind AS and an increase in the rate of interest and increase in lease liabilities from ₹ 14.92 million in Fiscal 2023 to ₹ 20.01 million in Fiscal 2024.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased by 6.03% from ₹ 354.84 million in Fiscal 2023 to ₹ 333.44 million in Fiscal 2024, primarily on account of a decrease of property, plant and equipment from ₹ 311.95 million in Fiscal 2023 to ₹ 270.09 million in Fiscal 2024. This was partially offset by an increase in depreciation of right-of-use assets from ₹ 40.74 million in Fiscal 2023 to ₹ 61.75 million in Fiscal 2024.

Other expenses

Other expenses decreased by 24.73%, from ₹ 2,018.15 million in Fiscal 2023 to ₹ 1,519.14 million in Fiscal 2024, primarily on account a decrease in consumption of loose tools from ₹ 585.76 million in Fiscal 2023 to ₹ 366.21 million in Fiscal 2024, a decrease in repair and maintenance – plant and machinery from ₹ 117.23 million in Fiscal 2023 to ₹ 23.69 million in Fiscal 2024, a decrease in freight and forwarding expenses from ₹ 124.20 million in Fiscal 2023 to ₹ 83.46 million in Fiscal 2024, and a decrease in packing materials from ₹ 100.11 million in Fiscal 2023 to ₹ 63.00 million in Fiscal 2024.

Tax Expense

Total tax expense decreased by 18.44% from ₹ 44.56 million in Fiscal 2023 to ₹ 36.35 million in Fiscal 2024. Current tax decreased from ₹ 64.65 million in Fiscal 2023 to ₹ 43.15 million in Fiscal 2024 due to a corresponding decrease in the restated profit before tax. The deferred tax was ₹ (6.80) million in Fiscal 2024 compared to deferred tax of ₹ (19.83) million in Fiscal 2023. The tax for earlier year was ₹ (0.26) million in Fiscal 2023 as compared to nil in Fiscal 2024.

Restated Profit for the Year

For the reasons discussed above, restated profit for the year decreased by 52.22% from ₹ 140.65 million in Fiscal 2023 to ₹ 67.20 million in Fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through the funds generated from our operations and debt financing. From time to time, we may obtain loan facilities to finance our short term working

capital requirements and investments in our business such as capital expenditures.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal		
		2025	2024	2023
		(in ₹ million)		
Net cash flows from operating activities	86.46	320.79	799.81	285.90
Net cash flows used in investing activities	(75.23)	(509.71)	(447.98)	(697.39)
Net cash flows (used in)/ from financing activities	(11.23)	189.05	(359.76)	413.98
Net increase / (decrease) in cash and cash equivalents	0.00	0.13	(7.93)	2.49
Cash and cash equivalents at the end of the year	0.39	0.39	0.26	8.19

Operating Activities

Three Months Ended June 30, 2025

Net cash flow from operating activities was ₹ 86.46 million for the three months ended June 30, 2025. Restated profit before tax was ₹ 126.02 million, which was primarily adjusted for depreciation and amortisation expenses of ₹ 110.09 million, and finance costs of ₹ 81.27 million, resulting in operating cash flows before working capital changes of ₹ 321.68 million.

This was further adjusted for changes in working capital, primarily consisting of an increase in inventories of ₹ 53.75 million, an increase in trade receivables of ₹ 280.44 million, a decrease in other assets of ₹ 26.50 million, an increase in other financial assets of ₹ 9.23 million, an increase in trade payables of ₹ 80.96 million, an increase in other current liabilities of ₹ 14.53 million, a increase in other financial liabilities of ₹ 8.69 million, and an increase in provisions of ₹ 3.84 million. As a result, cash generated from operations was ₹ 112.78 million, before adjusting income taxes paid (net) of ₹ 26.32 million.

Fiscal 2025

Net cash flow from operating activities was ₹ 320.79 million in Fiscal 2025. Restated profit before tax was ₹ 265.48 million, which was primarily adjusted for depreciation and amortisation expenses of ₹ 405.44 million, finance costs of ₹ 291.07 million, and gain from sale of property ₹ 134.59 million, resulting in operating cash flows before working capital changes of ₹ 821.23 million.

This was further adjusted for changes in working capital, primarily consisting of an increase in inventories of ₹ 342.41 million, an increase in trade receivables of ₹ 50.56 million, an increase in other assets of ₹ 69.40 million, an increase in other financial assets of ₹ 12.90 million, an increase in trade payables of ₹ 24.46 million, a decrease in other current liabilities of ₹ 7.48 million, a decrease in other financial liabilities of ₹ 0.58 million, and an increase in provisions of ₹ 4.18 million. As a result, cash generated from operations was ₹ 366.54 million, before adjusting income taxes paid (net) of ₹ 45.75 million.

Fiscal 2024

Net cash flow from operating activities was ₹ 799.81 million in Fiscal 2024. Restated profit before tax was ₹ 103.55 million, which was primarily adjusted for depreciation and amortisation expenses of ₹ 333.44 million, finance costs of ₹ 266.34 million, bad debts written off of ₹ 13.51 million, and balances written off of ₹ 0.31 million. These were further adjusted for unrealized foreign exchange gain of ₹ 7.83 million, and a gain on disposal of property, plant and equipment and capital work-in-progress of ₹ 3.22 million, resulting in operating cash flows before working capital changes of ₹ 705.79 million.

This was further adjusted for changes in working capital, primarily consisting of a decrease in inventories of ₹ 19.39 million, a decrease in trade receivables of ₹ 220.75 million, a decrease in other assets of ₹ 137.75 million, an increase in

other financial assets of ₹ 30.84 million, a decrease in trade payables of ₹ 211.46 million, an increase in other current liabilities of ₹ 5.13 million, an increase in other financial liabilities of ₹ 4.81 million, and a decrease in provisions of ₹ 0.40 million. As a result, cash generated from operations was ₹ 850.92 million, before adjusting income taxes paid (net) of ₹ 51.11 million.

Fiscal 2023

Net cash flow generated from operating activities was ₹285.90 million in Fiscal 2023. Restated profit before tax was ₹ 185.21 million, which was primarily adjusted for depreciation and amortisation expenses of ₹ 354.84 million, finance costs of ₹ 224.91 million, and balances written off of ₹ 1.24 million, resulting in operating cash flows before working capital changes of ₹ 834.74 million.

This was further adjusted for changes in working capital, primarily consisting of an increase in inventories of ₹ 367.85 million, an increase in trade receivables of ₹ 477.90 million, an increase in trade payables of ₹ 374.17 million, an increase in other assets of ₹ 216.23 million, a decrease in other current liabilities of ₹ 59.28 million, a decrease in other financial assets of ₹ 252.08 million, and an increase in other financial liabilities of ₹ 15.22 million. As a result, cash generated from operations was ₹ 351.71 million, before adjusting income taxes paid (net) of ₹ 65.81 million.

Investing Activities

Three months ended June 30, 2025

Net cash flow used in investing activities was ₹ 75.23 million in three months ended June 30, 2025, primarily on account of (i) payment for purchase of property, plant and equipment including capital work in progress (excluding borrowing cost) of ₹ 32.25 million; and (ii) payment for purchase of intangible assets of ₹ 43.22 million. This was partially offset by proceeds from sale of property, plant and equipment and capital work-in progress of ₹ 0.24 million.

Fiscal 2025

Net cash flow used in investing activities was ₹ 509.71 million in Fiscal 2025, primarily on account of (i) payment for purchase of property, plant and equipment including capital work in progress (excluding borrowing cost) of ₹ 390.11 million; and (ii) payment for purchase of intangible assets of ₹ 355.30 million. This was partially offset by (i) proceeds from sale of property, plant and equipment and capital work-in progress of ₹ 233.40 million; and (ii) interest received of ₹ 2.30 million.

Fiscal 2024

Net cash flow used in investing activities was ₹ 447.98 million in Fiscal 2024, primarily on account of (i) payment for purchase of property, plant and equipment including capital work in progress (excluding borrowing cost) of ₹ 444.97 million; (ii) payment for purchase of intangible assets of ₹ 1.40 million; and (iii) investment in fixed bank deposits of ₹ 10.00 million. This was partially offset by proceeds from sale of property, plant and equipment and capital work-in progress of ₹ 5.54 million.

Fiscal 2023

Net cash flow used in investing activities was ₹ 697.39 million in Fiscal 2023, primarily on account of (i) payment for purchase of property, plant and equipment including capital work in progress (excluding borrowing cost) of ₹ 696.68 million; (ii) payment for purchase of intangible assets of ₹ 2.88 million; and (iii) proceeds from sale of property, plant and equipment and capital work-in progress of ₹ 1.16 million. This was partially offset by interest received of ₹ 1.01 million.

Financing Activities

Three months ended June 30, 2025

Net cash flow used in financing activities was ₹ 11.23 million in the three months ended June 30, 2025, primarily on account of proceeds from borrowings of ₹ 238.64 million. This was partially offset by (i) repayment of borrowings of ₹ 140.47 million; (ii) interest paid of ₹ 73.90 million; (iii) repayment of lease liability of ₹ 26.96 million.

Fiscal 2025

Net cash flow from financing activities was ₹ 189.05 million in Fiscal 2025, primarily on account of proceeds from borrowings of ₹ 1,145.07 million. This was partially offset by (i) repayment of borrowings of ₹ 570.23 million; (ii) interest paid of ₹ 278.78 million; (iii) repayment of lease liability of ₹ 80.36 million.

Fiscal 2024

Net cash flow used in financing activities was ₹ 359.76 million in Fiscal 2024, primarily on account of (i) repayment of borrowings of ₹ 463.82 million; (ii) interest paid of ₹ 271.37 million; and (iii) repayment of lease liability of ₹ 52.03 million. This was partially offset by proceeds from borrowings of ₹ 447.47 million.

Fiscal 2023

Net cash flow from financing activities was ₹ 413.98 million in Fiscal 2023, primarily on account of proceeds from borrowings of ₹ 1,171.98 million. This was partially offset by (i) repayment of borrowings of ₹ 515.85 million; (ii) interest paid of ₹ 194.58 million; and (iii) repayment of lease liability of ₹ 32.65 million.

FINANCIAL INDEBTEDNESS

As of June 30, 2025, we had borrowings (current and non-current borrowings) amounting to ₹ 3,825.81 million. For further details in relation to our indebtedness, see “*Financial Indebtedness*” on page 401

MATURITY PROFILE OF FINANCIAL LIABILITIES

The table below summarizes the maturity profile of our financial liabilities based on undiscounted cash flows as of June 30, 2025:

Payment due by period	As of June 30, 2025				
	Carrying amount	Up to 1 year	1 year to 5 years	More than 5 years	Total
	(₹ million)				
Financial liabilities at amortized cost					
Trade payables	837.49	837.49	-	-	837.49
Borrowings including interest payable	3,840.89	3,134.61	846.26	56.69	4,037.56
Lease liabilities	380.41	137.18	298.50	-	435.68
Other financial liabilities	32.43	32.43	-	-	32.43
Total	5,091.22	4,141.71	1,144.76	56.69	5,343.16

CONTINGENT LIABILITIES AND COMMITMENTS

The following table below sets forth our contingent liabilities and commitments as of June 30, 2025:

Particulars	As of June 30, 2025 (₹ million)
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	44.23
<i>Other commitment</i>	
Outstanding export obligation to be fulfilled over a period of six years, from respective date of import, under the Export Promotion Capital Goods scheme against import of plant and machinery [#]	772.01
Contingent liabilities	
Income tax litigation – not been acknowledged as claims	63.50
Goods and service tax litigation – not been acknowledged as claims	3.68

[#] In the absence of fulfilment of the related export obligation, our Company will be liable to pay the amount of duty saved along with interest.

For further information relating to our contingent liabilities and commitments, see “*Restated Financial Information – Note 32 – Contingent Liabilities and Commitments*” on page 341.

CAPITAL EXPENDITURE

The following table sets forth details of our capital expenditure in the period/ years indicated:

Particulars	Three months ended June 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Capital expenditure (₹ million)*	82.89	755.94	467.55	646.55
Capital expenditure as a % of revenue from operations	4.93%	14.26%	8.77%	10.55%

*Capital expenditure is calculated as payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and adjustment for movement in capital advance).

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 in the ordinary course of business. These transactions principally include payment of salaries, provision for gratuity and compensated absences and trade payable to Key Managerial Personnel. For further details, see “Restated Summary Statements – Annexure VI – Note 34 – Related Party Disclosures” on page 341. Also, see “Risk Factors – We have entered into related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest.” on page 68.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk, credit risk and liquidity risk. Our senior management oversees the management of these risks. Our senior management ensures that our financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our policies and risk objectives. Our Board reviews and agrees policies for managing each of these risks, which are summarised below.

Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. Our management has overall responsibility for the establishment and oversight of our risk management framework.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and foreign currency receivables and payables.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates.

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 exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency).

Commodity Price Risk

We are affected by the price volatility of certain commodities. Our operating activities require the ongoing purchase and manufacture of gears products and therefore require a continuous supply of steel. Due to the significantly increased volatility of the price of the steel, we have entered into various purchase contracts for these material for which there is an active market. We maintain the level of these stock as per the requirement of business and market which are discussed by

the management on regular basis. We operate in the way that saving / impact due to change in commodity prices in the active market are passed on to the customer and therefore impact on restated profit before tax due to change in price of commodity is unascertainable.

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. We are exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including cash and cash equivalents and deposits with banks and financial institutions.

Customer credit risk is managed subject to our established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored for any expected default in repayment. An impairment analysis is performed at each reporting date based on Expected Credit Loss (“ECL”) matrix. We do not hold collateral as security.

Security deposit and other advances

With regards to security deposit and other advances, the management believes these to be high quality assets with negligible credit risk. Our management believes the parties to which these deposits and other advances have been made have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets.

Trade receivables (expected credit loss for trade receivables under simplified approach)

We follow ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. Under the simplified approach, we do not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. For homogeneous group of receivables, we use a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default and delay rates over the expected life of the trade receivable and is adjusted for forward looking estimates.

At year end, the historical observed default and delay rates are updated and changes in the forward-looking estimates are analyzed. For other debtors that are heterogeneous in nature, individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the restated statement of profit and loss within other expenses.

Liquidity Risk

We monitor our risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. Our objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

There are no significant changes that materially affect or are likely to affect income from continuing operations, except as described in “– *Significant Factors Affecting our Results of Operations*”, in “*Risk Factors*”, “*Our Business*” on pages 367, 36 and 233, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “– *Significant Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 367 and 36, respectively. To our knowledge, except as discussed in this Draft Red Herring

Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in “*Risk Factors*”, “*Our Business*” on pages 36 and 233, and this section respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

COMPETITIVE CONDITIONS

We face competition in India and overseas, which is influenced by factors including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, scope and quality of service, pricing, and brand recognition in the precision components manufacturing industry. (Source: *1Lattice Report*). Our peers are Bharat Forge Limited, Sona BLW Precisions Forgings Limited, Happy Forgings Limited, Ramkrishna Forgings Limited and Shanthi Gears Limited. Also, see “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 233, 159 and 36, respectively, for further details on competitive conditions that we face.

SEGMENT REPORTING

As per the compliance of Ind AS 108, operating segments are identified based on reports reviewed by Chief Operating Decision Maker (“**CODM**”). CODM reviews the operations of our Company, as a whole, i.e. single primary business segment namely. manufacturing and trading of gear transmission products. Hence, there are no reportable segments as per Ind AS 108 “*Operating Segments*”.

Significant Dependence on Few Customers or Suppliers

We derive a significant portion of our revenues from our top customers. For further information, see “*Risk Factors – Our business is dependent on certain key customers, and our top 10 customers contributed 92.96%, 94.43%, 96.42% and 98.35% of our revenue from sale of products in the three months ended June 30, 2025 and Fiscals 2025, 2024 and 2023, respectively. The loss of revenue from our top 10 customers could have an adverse impact on our business, results of operations, financial condition and cash flows.*” on page 36.

Also, we rely on our suppliers for the timely and adequate supply of raw materials. For further information, see “*Risk Factors – We do not have any long-term binding contracts with our suppliers for the procurement of raw materials. We typically place orders with them in advance of our anticipated requirements. In the three months ended June 30, 2025 and Fiscal 2025, 2024, and 2023, the cost of raw materials purchased from our top three suppliers accounted for 80.00%, 83.51%, 73.69%, and 76.58% of our total purchases, respectively. Any interruption in the availability of raw materials or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations.*” on page 39.

New Products or Business Segments

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality/ Cyclicity of Business

The sales and prices of our products are influenced by the cyclicity and seasonality of demand for agricultural tractors in India and the countries in which our customers operate. For further details, see “*Risk Factors – Our revenues from the tractor end-use sector is subject to seasonality and a decrease in our sales during some quarters could have an adverse impact on our financial performance.*” on page 64.

Significant Developments after June 30, 2025 that may Affect our Future Results of Operations

Except as disclosed below, no circumstances have arisen since June 30, 2025, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

- Pursuant to a Board resolution dated September 10, 2025, and Shareholders resolution dated September 13, 2025, each equity share of face value of ₹ 10 each of our Company was sub-divided into 5 equity shares of face value

of ₹ 2 each to reflect the sub-division of authorised share capital of 22,000,000 equity shares of ₹10 each to 110,000,000 Equity Shares of ₹2 each. Accordingly, the issued, subscribed, and fully 3,000,000 equity shares of ₹10 each to 15,000,000 Equity Shares of ₹2 each.

- The Shareholders of our Company through a resolution passed on September 13, 2025 and the Board of our Company through a resolution passed on September 10, 2025 approved the issuance of bonus shares in the ratio of 5:1 for each equity share of face value of ₹ 2 each. Through Board resolution dated September 15, 2025, our Company allotted 75,000,000 equity shares of face value of ₹ 2 each to its existing Shareholders.
- The Shareholders of our Company through a resolution dated September 29, 2025, approved the increase in authorized share capital of our Company from 11,00,00,000 shares of face value of ₹ 2 each to 12,00,00,000 shares of face value of ₹ 2 each.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as of June 30, 2025, derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with “*Management's Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Information*” and “*Risk Factors*” on pages 367, 309 and 36, respectively.

(₹ in million, except ratios)		
Particulars	Pre-Offer as at June 30, 2025 (A)	Adjusted for the proposed Offer* (B)
Total borrowings		
Current borrowings (A)	2,669.23	[●]
Non-current borrowings (including current maturities of long-term borrowings) (B)	1,156.58	[●]
Total borrowings (C)	3,825.81	[●]
Total Equity		
Equity share capital	30.00	[●]
Other equity	1,325.68	[●]
Total equity (D)	1,355.68	[●]
Total non-current borrowings (including current maturities of long-term borrowings) / Total equity (B)/(D) (in times)	0.85	[●]
Total borrowings / Total equity (C)/(D) (in times)	2.82	[●]

* The corresponding post- Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

Notes:

1. The above statement has been computed on the basis of the Restated Financial Information as at and for the period ended June 30, 2025.
2. These terms shall carry the meaning as per Schedule III of the Companies Act, 2013, as amended.
3. Pursuant to the shareholders' resolutions dated September 13, 2025, the Company has sub-divided its equity shares of face value ₹10 each to Equity Shares of face value ₹2 each. Accordingly, the issued and paid-up equity share capital of the Company was sub-divided from 3,000,000 equity shares of ₹10 each to 15,000,000 Equity Shares of ₹2 each. A bonus issuance had been carried out of 5 new Equity Shares per every 1 fully paid-up Equity Share, pursuant to a resolution of our Board dated September 10, 2025 and a resolution of our shareholders dated September 13, 2025.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and financing facilities in the ordinary course of business for, *inter alia*, meeting working capital requirements, capital expenditure and other business requirements. For details of the borrowing powers of our Board, see “Our Management – Borrowing Powers” on page 288.

Our Board is empowered to borrow money in accordance with Sections 179 and 180 of the Companies Act, and our Articles of Association. As of September 30, 2025, our outstanding borrowing aggregated to ₹3,808.20 million. The details of the indebtedness of our Company as of September 30, 2025, are provided below:

(in ₹ million)		
Category of borrowing	Sanctioned amount [#]	Outstanding amount as on September 30, 2025 [#]
Secured		
<i>Fund based</i>		
- Working capital loan	1,370.00	1,373.28
- Term loan	2,392.80	1,061.42
- Cash credit	805.00	735.76
- Vehicle loan	20.79	13.35
Total secured fund based (A)	4,588.59	3,183.81
<i>Non-fund based</i>		
- Bank guarantee	25.00	25.00
Total secured non fund based (B)	25.00	25.00
Total secured (C) = (A) + (B)	4,613.59	3,208.81
Unsecured		
<i>Fund based</i>		
- Loan from Directors	180.00	113.81
Total unsecured fund based (D)	180.00	113.81
<i>Non-fund based</i>		
- SBI-Vendor Discounting	550.00	485.58
Total unsecured non fund based (E)	550.00	485.58
Total unsecured (F) = (D) + (E)	730.00	599.39
Total borrowings (G=C+F)	5,343.59	3,808.20

[#]As certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025

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Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by our Company in relation to our indebtedness.

- a. **Interest:** The applicable rate of interest for the various facilities in India availed by us from financial institutions are typically linked to benchmark rates, such as the marginal cost of lending rate (MCLR), and external benchmark lending rate (EBLR) or repo rate over a specific period of time and spread per annum and are subject to mutual discussions with the relevant lenders of our Company. In most of our facilities, a spread per annum is charged above these benchmark rates, and the spread ranges between 0.20% to 0.85% per annum. For the vehicle loan availed by the Company, the rate of interest or annual percentage rate ranges from 8.10% to 9.26% over the fixed deposit rate.
- b. **Tenor:** The tenor of the financing facilities availed by us ranges from 12 months to 93 months from the date of sanction or drawdown.
- c. **Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, delay or non-submission of annual financial statements and stock statements, non-renewal of insurance policies, diversion of funds etc. The terms of certain borrowings availed by us prescribe that in case of non-compliance, enhanced / penal rate of interest for the delayed period will be charged at rates as may be mutually agreed between our Company and the respective lenders.
- d. **Pre-payment penalty:** Our borrowings typically have pre-payment provisions which allow for pre-payment of the outstanding amount at any given point in time, by serving a prior written notice to the relevant lender, and in certain case, subject to such pre-payment penalties as maybe mutually agreed at the time of such pre-payment, or subject to the conditions specified in the borrowing arrangements.
- e. **Repayment:** The loan will be repayable on demand or through the Equated Monthly Instalments payable on a monthly basis on the due date as mentioned in the loan agreement.
- f. **Security:** In terms of our borrowings where security needs to be created, we are typically required to *inter alia* create security by way of:
 - (a) creating *pari passu* charge on the immovable properties of our Company;
 - (b) creating subservient charge on the current and movable fixed assets owned by our Company;
 - (c) creating charge by way of equitable mortgage on the properties of our Company; and
 - (d) furnishing personal guarantee from our Promoters namely, Ashok Kumar Tandon and Aman Tandon in the borrowings availed by our Company.

The above-mentioned list is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

For further details of the security issued by our Company, see “Restated Financial Information – Note 16. Borrowings – Nature of security and terms of repayment for secured borrowings” on page 329.

- g. **Key Covenants:** The financing arrangement entered into by us entail various restrictive conditions and covenants restricting certain corporate actions and we are required to take prior approval of the lenders before carrying out such activities.

For instance, certain corporate actions for which we require the prior written consent of the lenders include, *inter alia*:

- (a) effecting any change in the composition of our Board of Directors, management structure, or holding structure or change in control or ownership of our Company;
- (b) transfer of controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel);
- (c) effecting any change in our capital structure where the shareholding of the existing promoters either gets diluted below current level or leads to dilution in controlling stake for any reason;

- (d) undertaking any expansion / diversification / modernization other than incurring routine capital expenditure funded by our own resources;
- (e) opening of current account with another bank or bank which is not a member of consortium/multiple banking arrangement

The above-mentioned list is indicative and there may be additional restrictive conditions and covenants where we may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by us.

h. *Events of default: The borrowing facilities availed by us contain certain standard events of default, including inter alia:*

- (a) non-payment of any installment payable on relevant due date
- (b) non-submission or delayed submission of stock statement
- (c) non-creation of security as per stipulated timelines;
- (d) any material adverse change / event, which may impair the ability of our Company to make timely repayments / meet our obligations and
- (e) failure to keep the leased equipment insured

The above-mentioned list is an indicative list and there may be additional events of default under various borrowing arrangements entered into by us.

i. *Consequences of occurrence of events of default: In terms of our borrowing arrangements, due to the occurrence of events of default, our lenders may:*

- (a) recall or accelerate the facility;
- (b) payment of default interest; and
- (c) appoint a nominee director on the Board

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements of our Company. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see “*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, financial condition and cash flows*” on page 54.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding (i) criminal proceedings (including matters at first information report (“**FIR**”) stage whether cognizance has been taken or not by any court or any other judicial authority); (ii) actions (including all penalties, any orders passed, /and show-cause notices, warning letters issued) by regulatory authorities and/or statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities); (iii) claims and proceedings related to direct or indirect taxes, to be disclosed in a consolidated manner, giving the number of cases and total amount involved in such cases. However, in the event any direct or indirect tax matter involves monetary amount of claim exceeding the Materiality Threshold (defined below), then individual disclosures of such direct or indirect tax matters will be included involving our Company, Directors or Promoters (the “**Relevant Parties**”); (iv) Other pending litigations (including civil litigation or arbitration proceedings/ tax litigation) (other than proceedings covered under (i) to (iii) above) which have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), involving Relevant Parties where the value or expected impact in terms of value, exceeds the Materiality Threshold defined below);

All outstanding criminal proceedings (including matters at FIR stage whether cognizance has been taken or not by any court or any other judicial authority) involving the Key Managerial Personnel and Senior Management of the Company; and (ii) all outstanding actions (including all penalties, any orders passed/ show-cause notices, warning letters) by regulatory and/or statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities) against the Key Managerial Personnel and Senior Management of the Company.

In relation to (iii) and (iv) above, our Board in its meeting held on November 12, 2025, has considered and adopted a policy of materiality for identification of material litigation / arbitration (“**Materiality Policy**”). In terms of the Materiality Policy, the following shall be considered ‘material’ for the purposes of disclosure in the Draft Red Herring Prospectus:

- (i) Any pending litigation / arbitration involving the Relevant Parties, in which the aggregate monetary claim / amount in dispute, to the extent quantifiable, by or against the Relevant Parties in any such pending litigation / arbitration proceedings is equal to or in excess of (a) 2% of turnover based on the Restated Financial Information for Fiscal 2025; or (b) 2% percent of net worth based on the Restated Financial Information as at March 31, 2025; or (c) 5% of the average of absolute value of profit or loss after tax, for the last three Fiscals based on the Restated Financial Information of our Company, whichever is lower. In this instance, the lowest is 5% of the average of absolute value of profit or loss after tax for the last three fiscal years, as per the Restated Financial Information included in the Offer Documents (“**Materiality Threshold**”), which amounts to ₹7.14 million;
- (ii) Any pending litigation / arbitration proceedings involving the Relevant Parties wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in point (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company;
- (iii) Any pending litigation / arbitration proceedings involving the Relevant Parties where the decision in one litigation is likely to affect the decision in similar litigations, such that the cumulative amount involved exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; and
- (iv) Any outstanding findings or observations arising out of any of the inspections by the Securities and Exchange Board of India or by any other regulator in or outside India.

For the purposes of the above, pre-litigation notices received by any of the Relevant Parties, Key Managerial Personnel, Senior Management or Group Companies from third parties (excluding those notices issued by statutory / regulatory / governmental / judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board,

not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, Key Managerial Personnel, Senior Management or Group Companies as applicable, are impleaded as defendants in litigation proceedings before any judicial, arbitral forum or government authority, or is notified by any governmental, statutory or regulatory authority of any proceeding that may be commenced.

Disciplinary actions including any penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years preceding this DRHP, including outstanding actions.

Further, as per the requirements of the SEBI ICDR Regulations, the Company shall also disclose such outstanding litigations involving the Group Companies, as identified in accordance with provisions of SEBI ICDR Regulations which has a material impact on the Company. Any pending litigation involving the Group Companies would be considered to have a 'material impact' on the Company for the purpose of disclosure in this DRHP, if an adverse outcome from such pending litigation would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, our Board, in its meeting held on November 12, 2025, has approved that a creditor of our Company shall be considered 'material' if the amount due to such creditor is equivalent to or exceeds 5% percent of the total trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The trade payables of our Company as on June 30, 2025, were ₹837.49 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹41.87 million as on June 30, 2025.

For outstanding dues to any micro, small or medium enterprise ("MSME"), the disclosure shall be based on information available with the Company regarding the status of the creditor as defined under the applicable provisions of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, read with the rules and notifications thereunder.

Unless stated to the contrary, the information provided below is as on the date of this Draft Red Herring Prospectus.

I. Litigation proceedings involving our Company

(i). Litigation against our Company

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

b. Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by any statutory or regulatory authorities against our Company.

c. Material Civil Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding legal proceedings crossing the Materiality Threshold against our Company.

(ii). Litigation by our Company

a. Criminal proceedings

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by our Company:

1. Our Company has filed a first information report dated May 30, 2024, with the Police Station Barotiwala, Baddi Police, District Solan, Himachal Pradesh, under Sections 406 and 420 of the Indian Penal Code, 1860, against Vishal Gupta (“**Accused**”), director of Srishti Agencies Private Limited (“**Srishti Agencies**”). Our Company alleges that the Accused submitted fake documents and forged entries in the ledger books of Srishti Agencies, thereby dishonestly inducing our Company to transfer funds amounting to ₹8.70 million. The matter is currently pending. For further details, see “*Litigation proceedings by our Company – Material Civil Litigation*” and “*Other material proceedings*” on pages 406 and 407.
2. Our Company filed a complaint under Sections 308, 351(2), and 356 of the Bharatiya Nyaya Sanhita, 2023, before the Sub-Divisional Judicial Magistrate, Kalka, against Nand Lal (“**Accused**”) alleging that the Accused submitted false and baseless complaints to the Himachal Pradesh State Pollution Control Board, Gram Panchayat Bhatoli Kalan, and the Panchayat claiming that our Company was causing noise pollution. Further, our Company has alleged that on April 09, 2024, the Accused visited the Corporate Office of our Company at Industrial Estate, Kalka, and threatened the Managing Director and other officials present, demanding ₹50.00 million for the smooth functioning of our Company’s unit at Village Jharmajri, Tehsil Baddi, District Solan. The matter is currently pending.

b. Material Civil Litigation

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no outstanding legal proceedings crossing the Materiality Threshold, filed by our Company:

1. Our Company has filed a civil suit under order 7 rule 1 of the Code of Civil Procedure, 1908 against Srishti Agencies Private Limited (“**Srishti Agencies**”) and Vishal Gupta, director of Srishti Agencies (together, the “**Defendants**”), before the Additional Civil Judge (Senior Division), Kalka for recovery of an amount of ₹7.93 million along with interest at the rate of 18% per annum from the date of advance payment till the actual realization of the payment. Our Company alleged that despite receiving an advance payment of ₹44.91 million during the Financial Year 2023-24, the Defendants supplied commercial liquefied petroleum gas cylinders only worth ₹35.94 million. Further, our Company alleged that the Defendants had forged entries for gas supplies amounting to ₹7.93 million during the Financial Years 2023–24 and 2024–25, for which advance payments had already been made and no supplies were delivered, and that despite of repeated requests, the Defendants have failed to repay the said outstanding amount. The matter is currently pending. For further details, see “*Litigation proceedings by our Company – Criminal proceedings*” and “*Other material proceedings*” on pages 405 and 407.

(iii). Taxation Proceedings

a. Claims related to direct and indirect taxes

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no outstanding claims related to direct and indirect taxes involving our Company:

S. No.	Nature of Proceedings	Number of cases [#]	Approximate amount in dispute (in ₹ million) [*]
1.	Direct tax	1	56.30
2.	Indirect tax	1	1.84
Total		2	58.14

^{*}To the extent quantifiable.

[#]Includes appeals filed by the Company with the competent authorities.

b. Material Tax Litigations

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no outstanding material tax litigations crossing the Materiality Threshold, related to direct and indirect taxes involving our Company:

1. The Principal Commissioner of Income Tax (“**Appellant**”) filed an appeal under Section 260-A of the Income Tax Act (“**Appeal u/s 260-A**”), dated February 9, 2024, against the order of the Income Tax Appellate Tribunal (“**ITAT**”), Bench ‘B’, Chandigarh dated September 5, 2023, before the High Court of Himachal Pradesh at Shimla (“**High Court**”). The Appellant alleges that our Company filed its return of income for the assessment year 2017-18 declaring a total income of ₹46.22 million after claiming a deduction of ₹0.18 million under Chapter VI-A of the

Income Tax Act and that subsequently, our Company's case was selected for a complete scrutiny under computer assisted scrutiny selection, with transfer pricing risk parameters being one of the reasons for selection. It was further alleged that the Transfer Pricing Officer ("TPO") passed an order under Section 92CA(3) of the Income Tax Act proposing an addition of ₹56.31 million for excess profits declared by Unit V, citing failure to benchmark inter-unit transactions; based on the TPO's direction the assessing officer ("AO") wrongly added ₹56.31 million to the total income, ignoring the fact that our Company did not claim any deduction under section 80-IC of the Income Tax Act and that our Company later filed an appeal before the ITAT, Chandigarh, which deleted the additions made by the AO. In response, the Appellant filed the Appeal u/s 260-A before the High Court on the grounds that the findings of the ITAT, Chandigarh is not acceptable. The matter is currently pending.

(iv). Other material proceedings

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no other outstanding proceedings involving our Company, which have been considered material by our Company in accordance with the Materiality Policy:

1. Vishal Gupta ("**Complainant**"), director of Srishti Agencies Private Limited ("**Srishti Agencies**"), in his personal capacity, filed a suit for permanent injunction ("**Impugned Complaint**"), before the Additional Civil, Judge (Senior Division) Phagwara seeking to restrain our Company, and its officials from demanding or recovering any amount from the Complainant or his family in any false and frivolous case. The Complainant alleged that during the course of business dealings between our Company and Srishti Agencies, he was wrongfully confined by certain officials of our Company who demanded payment from him for dues owed by Srishti Agencies to our Company and forcibly obtained his signature on a blank paper. In response, our Company filed a written statement dated October 18, 2024, for dismissal of Impugned Complaint on the grounds that the Complainant lacks locus standi to file the Impugned Complaint, which has been falsely instituted merely to delay proceedings, despite a huge amount being due from the Complainant. The matter is currently pending. For further details, see "*Litigation proceedings by our Company – Criminal proceedings*" and "*Litigation proceedings by our Company – Material Civil Litigation*" on pages 405 and 406.
2. Srishti Agencies Private Limited ("**Complainant**") filed a suit for permanent injunction ("**Impugned Complaint**") before the Additional Civil Judge (Senior Division) ("**Court**"), Phagwara, seeking to restrain our Company and its officials from initiating any recovery proceedings against the Complainant without rendition or reconciliation of the accounts. The Complainant alleged that despite requests by the Complainant for rendition and reconciliation of accounts pursuant to discrepancies raised by our Company in relation to the payments made by our Company and the goods supplied by the Complainant, our Company attempted to recover the excess payments made by our Company from the Complainant without carrying out such rendition and reconciliation of accounts. In response, our Company filed a written statement dated October 18, 2024, for dismissal of the Impugned Complaint on the grounds that the Complainant lacks locus standi to file the Impugned Complaint, which has been falsely instituted merely to delay proceedings despite a huge amount being due from the Complainant, and that the Hon'ble Court lacks jurisdiction as the Complainant is carrying on its business in Himachal Pradesh, where the appropriate jurisdiction lies. The matter is currently pending. For further details, see "*Litigation proceedings by our Company – Criminal proceedings*" and "*Litigation proceedings by our Company – Material Civil Litigation*" on pages 405 and 406.

II. Litigation proceedings involving our Directors

(i). Litigation against our Directors

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against any of our Directors.

b. Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by any statutory or regulatory authorities against our Directors.

c. Material Civil Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings exceeding the Materiality Threshold that have been initiated against our Directors.

(ii). Litigation by our Directors

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

b. Material Civil Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings exceeding the Materiality Threshold that have been initiated by our Directors.

(iii). Taxation Proceedings

a. Claims related to direct and indirect taxes

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no pending claims related to direct and indirect taxes involving our Directors:

S. No.	Nature of Proceedings	Number of cases	Approximate amount in dispute (in ₹ million)*
1.	Direct tax	2	14.03
2.	Indirect tax	Nil	Nil
Total		2	14.03

*To the extent quantifiable.

b. Material Tax Litigation

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material tax litigations exceeding the Materiality Threshold, pending related to direct and indirect taxes involving our Directors:

1. The office of the Assistant Commissioner of Income Tax through its assessment order dated March 30, 2022 (“**Assessment Order**”) assessed the total income of Aman Tandon (“**Assessee**”) for AY 2013–14 and, following a search conducted in the case of Ludhiana Construction Private Limited (“**Ludhiana Construction**”), assumed ₹28.85 million as cash payment and further treated ₹12.14 million as paid in cash towards the construction of the Assessee’s residential property and added the same as unexplained investment under Section 69B of the Income Tax Act resulting in a tax demand of ₹7.80 million. Aggrieved by the Assessment Order, the Assessee filed an appeal before the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre alleging that the entire payment of ₹21.17 million was made by cheque to Ludhiana Construction and that the additions were based on assumptions without any supporting evidence of cash payments. The matter is currently pending.

(iv). Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other outstanding proceedings involving any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

III. Litigation proceedings involving our Promoters

(i). Litigation against our Promoters

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against any of our Promoters.

b. Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no pending actions initiated by any statutory or regulatory authorities against our Promoters.

c. Disciplinary action including any penalty taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

No disciplinary action including any penalty has been taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus either by SEBI or any stock exchange.

d. Material Civil Litigation

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings exceeding the Materiality Threshold that have been initiated against our Promoters.

(ii). Litigation by our Promoters

a. Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

b. Material Civil Litigation

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings exceeding the Materiality Threshold that have been initiated by our Promoters.

(iii). Taxation Proceedings

a. Claims related to direct and indirect taxes

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no outstanding claims related to direct and indirect taxes involving our Promoters:

S. No.	Nature of Proceedings	Number of cases	Approximate amount in dispute (in ₹ million)*
1.	Direct tax	2	14.03
2.	Indirect tax	Nil	Nil
Total		2	14.03

*To the extent quantifiable.

b. Material Tax Litigations

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material tax litigations exceeding the Materiality Threshold, pending related to direct and indirect taxes involving our Directors:

1. For details of pending material tax litigations involving our Promoters, please see “*Litigation involving our Directors – Material Tax Litigations*” on page 408.

(iv). Other material proceedings

As on the date of this Draft Red Herring Prospectus there are no other pending proceedings involving any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

IV. Litigation proceedings involving our Key Managerial Personnel and Senior Management

(i). Key Managerial Personnel

(a) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving our Key Managerial Personnel.

(b) Actions by statutory or regulatory authorities

As on date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory or regulatory authorities against our Key Managerial Personnel.

(ii). Senior Management

(c) Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving the members of our Senior Management.

(d) Actions by statutory or regulatory authorities

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory or regulatory authorities against the members of our Senior Management.

V. Litigation proceedings involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies which have a material impact on our Company.

VI. Outstanding dues to small scale undertakings, material creditors, and any other creditors

In terms of the Materiality Policy, such creditors are considered 'material' to whom the amount due exceeds 5% percent of the total trade payables of our Company as on June 30, 2025. Our Company owed a total sum of ₹837.49 million to a total number of 765 creditors as on June 30, 2025. The details of our outstanding dues to the 'material' creditors of our Company, MSMEs, and other creditors, as on June 30, 2025, are as follows:

Particulars*	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	23	23.19
Material Creditors	2	335.49
Other Creditors	740	478.81
Total	765	837.49

**As certified by Bansal & Co LLP., Chartered Accountants, pursuant to their certificate dated November 18, 2025.*

For complete details of outstanding overdues to material creditors, see <https://www.milestonesgroup.co.in/investors/>.

VII. Material Developments

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 367, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our trading or profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of all consents, licenses, approvals, registrations, and permits obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations, and except as disclosed herein, we have obtained all consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are considered material and necessary for undertaking the current business activities and operations of our Company. In the event any of the approvals and licenses that are required for our business and operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 269.

For Offer related approvals obtained by our Company, see “Other Regulatory and Statutory Disclosures” on page 416. For details of the risk associated with a delay in obtaining, or not obtaining, the requisite material approvals, see “Risk Factors – We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our operations.” on page 58.

I. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures” beginning on page 416.

II. Material approvals in relation to our Company

Our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on October 1, 2025, and the name of our Company was changed to Milestone Gears Limited, and a fresh certificate of incorporation dated October 7, 2025 was issued to our Company by the RoC. Our Company is in the process of completing the filing of necessary applications with relevant statutory and regulatory authorities for reflecting the change of name of the Company, pursuant to conversion from a private limited company to a public limited company.

(i) Incorporation details

- a) Certificate of incorporation dated April 27, 1984, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar, in the name of ‘Milestone Gears Private Limited’;
- b) Certificate of incorporation consequent upon conversion to public company dated October 7, 2025 issued by the Registrar of Companies, Central Processing Centre, pursuant to conversion of our Company from a ‘private limited company’ to a ‘public limited company’ and consequential change in our name from ‘Milestone Gears Private Limited’ to ‘Milestone Gears Limited’.
- c) The CIN of our Company is ‘U74110HP1984PLC005831’.

For further details, see “History and Certain Corporate Matters” on page 278.

(ii) Tax related approvals

- a) The permanent account number of our Company is ‘AAACM9431E’, issued by the Income Tax Department, Government of India under the Income-tax Act, 1961.
- b) The tax deduction account number of our Company is ‘PTLM11887B’, issued by the Income Tax Department, Government of India under the Income-tax Act, 1961.
- c) Goods and service tax registration under the applicable provisions of the goods and services tax legislations applicable in the states where we conduct our business operations.

- d) Professional tax registration issued by the Punjab State Development Tax, Department of Excise and Taxation to Unit VI.

(iii) Business and environment related approvals

Our manufacturing operations are carried out through our nine manufacturing facilities. Unit I, Unit III, Unit IV, Unit V, Unit VII, Unit VIII and Unit IX are located in Himachal Pradesh, Unit II is situated in Haryana and Unit VI is located in Punjab. Additionally, we have one warehouse located in Uttarakhand.

- a) Consent to operate under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 and Section 25 / 26 of Water (Prevention and Control of Pollution) Act, 1974, issued by the H.P. State Pollution Control Board and Punjab Pollution Control Board for the respective manufacturing facilities.
- b) Authorization for operating a facility for generation, storage and disposal of hazardous wastes under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016, issued by the H.P. State Pollution Control Board for the respective manufacturing facilities.
- c) Fire no objection certificate under Fire and Emergency Services Act, 2022 issued by the Directorate of Industries and Fire Station Officer for the respective manufacturing facilities.
- d) Registration and license to work a factory under the Factories Act, 1948, issued by the Chief Inspector of Factories, Labour Department, Himachal Pradesh Government, the Chief Inspector of Factories, Haryana and the Chief Inspector of Factories, Department of Labour, Punjab for the respective manufacturing facilities.
- e) Entrepreneur memorandum issued by Department of Industries for the respective manufacturing facilities.
- f) Permission to install diesel generating set issued by Himachal Pradesh State Electricity Board Limited and Chief Electrical Inspector, Government of Punjab, Patiala for the respective manufacturing facilities.
- g) Certificate of importer-exporter code issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India under the Foreign Trade (Development and Regulation) Act, 1992 to our Company.
- h) Legal entity identifier code number issued by LEI Register India Private Limited to our Company.
- i) Export Promotion Capital Goods Authorisation issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India to our Company.
- j) Report of examination of pressure vessel / plant issued by the Competent Person approved by Chief Inspector of Factories under Factories Act, 1948 for the respective manufacturing facilities

(iv) Labour / employment related approvals

- a) Certificate of registration issued by the Employees' Provident Fund Organisation under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- b) Certificate of registration issued by the Employees State Insurance Corporation under the Employee State Insurance Act, 1948 for the respective manufacturing facilities.
- c) Certificates of registration issued by the Labour Department, Government of Himachal Pradesh, Labour Department, Haryana under the Contract Labour (Regulation and Abolition) Act, 1970 for the respective manufacturing facilities.

III. Material approvals pending in respect of our Company

(i) Material approvals applied for, including renewal applications, but not received

As on the date of this Draft Red Herring Prospectus, except as disclosed below, there are no material approvals applied for, including renewal applications, that have not been received by our Company:

S. No.	Description	Authority	Date of Application
1.	Fire no objection certificate under Fire and Emergency Services Act, 2022 for Unit III	Directorate of Industries	July 15, 2024
2.	Fire no objection certificate under Fire and Emergency Services Act, 2022 for Unit VII	Directorate of Industries	August 19, 2025

(ii) Material approvals expired and renewals yet to be applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which have expired and for which renewal applications are yet to be made by our Company.

(iii) Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which are required but which have not been obtained or for which applications are yet to be made by our Company.

IV. Intellectual property

As on the date of this Draft Red Herring Prospectus, our Company has made a trademark application for our



logo

under class 12 under the Trademarks Act, which is currently pending.

For further details in relation to our intellectual property, see “*Our Business – Intellectual Property*” on page 266 and for risks associated with our intellectual property, see “*Risk Factors – Our Company’s logo is not registered as on date of this Draft Red Herring Prospectus. However, application for registration of our trademark has been filed. We may be unable to adequately protect our intellectual property and/ or be subject to claims alleging breach of third-party intellectual property rights.*” on page 59.

SECTION VIII - GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered (i) such companies with which there were related party transactions during the period for which Restated Financial Information have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards (i.e., Ind AS 24); and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board, in its meeting held on November 12, 2025, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a 'group company' in this Draft Red Herring Prospectus. In terms of such materiality policy, if a company is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and has entered into one or more related party transactions with the Company during the last completed Financial Year and the stub period, if any, included in the Restated Financial Information, which individually or in the aggregate exceeds 10% of the restated total revenue from operations of the Company derived from the Restated Financial Information of the last completed financial year and stub period, as applicable, it shall be considered material and disclosed as a 'group company'.

Based on the parameters set out above, the following have been identified as Group Companies:

1. Polycycl Private Limited
2. Chhoti Si Asha Foundation

Details of our Group Companies:

The details of our Group Companies are as provided below:

S. No.	Name of the Group Company	Registered Office
1.	Polycycl Private Limited	KK-16, HSIDC Estate, Kalka, Haryana, India, 133 302
2.	Chhoti Si Asha Foundation	House No. 75, Sector 7, Panchkula, Haryana, India, 134 108

In accordance with the SEBI ICDR Regulations, information with respect to (i) reserves (excluding revaluation reserves), (ii) sales, (iii) profit after tax, (iv) basic earnings per share, (v) diluted earnings per share and net asset value derived from the audited financial statements of our Group Company(ies) for the preceding three years, is available on the website of our Company at <https://www.milestonesgroup.co.in/investors/>.

Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Common pursuits among Group Companies

There are no common pursuits among any of our Group Companies and our Company.

Nature and extent of interest of our Group Companies

a. Interest in the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

b. Interest in the property acquired or proposed to be acquired by the Company

None of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

c. Interest in transactions for acquisition of land, construction of building, or supply of machinery

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the sections “*Other Financial Information – Related Party Transactions*” and “*Financial Information – Restated Financial Information – Note 34 – Related Party Disclosure*” on pages 366 and 341, there are no related business transactions between the Group Companies and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the sections “*Other Financial Information – Related Party Transactions*” and “*Financial Information – Restated Financial Information – Note 34 – Related Party Disclosure*” on pages 366 and 341, our Group Companies have no business interests in our Company.

Litigation

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies which have a material impact on our Company.

Other confirmations

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have their securities listed on any stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Group Companies and their directors.

SECTION IX - OTHER REGULATORY AND STATUTORY DISCLOSURES

The Offer has been authorised by a resolution of our Board dated November 18, 2025 and the Fresh Issue has been authorised by a special resolution of our Shareholders dated November 18, 2025. Further, our Board has taken on record the consents of each of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on November 18, 2025.

The Board has approved this Draft Red Herring Prospectus pursuant to its resolutions dated November 18, 2025, for filing with SEBI and the Stock Exchanges.

Authorisation by the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, consented for inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Name of the Selling Shareholder	Number of Offered Shares	Aggregate amount of Offer for Sale (₹ million)	Date of Selling Shareholders' consent letter
Ashok Kumar Tandon	[●]	1,750.00	November 18, 2025
Aman Tandon	[●]	500.00	November 18, 2025
Amit Tandon	[●]	250.00	November 18, 2025
Aradhna Tandon	[●]	250.00	November 18, 2025
Gagandeep Kaur Chawla	[●]	250.00	November 18, 2025

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by Securities and Exchange Board of India or other governmental authorities

Our Company, Promoters (persons in control of our Company), members of the Promoter Group, Directors and the Selling Shareholder, are not prohibited from accessing in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. Our Company has had net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each) i.e. as on and for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025, of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each) i.e. as on and for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025, 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 preceding three full years (of 12 months each) i.e. as on and for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025, calculated on a restated basis; and
- Our Company has not changed its name in the last one year, other than the deletion of the word “Private” from the name of our Company pursuant to our conversion from a private limited company into a public limited company. Our Company has not undertaken any new activity pursuant to such change in name.

Our Company’s restated net tangible assets, restated monetary assets, restated monetary assets as a percentage of restated net tangible assets, operating profits and net worth, derived from the Restated Financial Information included in this Draft Red Herring Prospectus, as at and for the Fiscals ended March 31, 2025, March 31, 2024, and March 31, 2023 are set forth below:

Particulars	(₹ in million, unless otherwise stated)		
	As at and for the Fiscal ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Restated Net tangible assets	849.16	963.46	893.14
Restated Monetary assets	0.39	0.26	8.19
Restated Monetary assets, as a percentage of restated net tangible assets (in %)	0.05	0.03	0.92
Pre-Tax Operating profit	390.41	345.49	386.43
Restated Net worth	1,262.64	1,040.98	967.44
Average of the pre-tax operating profit			374.11

Notes:

- “Restated Net tangible assets” means the sum of all net assets of the Company excluding intangible assets, deferred tax assets, right of use assets and intangible assets under development, lease liabilities of the Company.
- “Restated Monetary Assets” means cash in hand, balance with bank in current and deposit account.
- “Pre-tax Operating Profit” has been calculated as restated profit before tax excluding other income and finance cost each on a restated basis.
- “Restated Net Worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

Our Company has operating profits in each of Fiscal 2025, 2024 and 2023 in terms of our Restated Financial Information. Our average operating profit, as restated, for Fiscals 2025, 2024 and 2023 is ₹374.11 million.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000 failing which the entire application money shall be unblocked/refunded to the respective Bidders. In case of delay, if any, in unblocking the ASBA Accounts, within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on application money in accordance with the applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- None of our Company, our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- None of our Promoters or Directors are promoters or directors of companies which are debarred from

accessing the capital markets by SEBI.

3. None of our Company, our Promoters or Directors or members of our Promoter Group has been declared a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.
4. None of our Promoters or Directors has been declared a Fugitive Economic Offender.
5. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive, Equity Shares, as on the date of this Draft Red Herring Prospectus.
6. Our Company along with Registrar to the Offer has entered into the tripartite agreement with NSDL dated August 13, 2025 and the tripartite agreement with CDSL, dated September 25, 2025, for dematerialisation of the Equity Shares;
7. All the Equity Shares of our Company are held in dematerialised form;
8. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus
9. None of our Promoters, the Selling Shareholders, Directors, or members of our Promoter Group have outstanding stock appreciation rights that have not been exercised prior to the filing of the Red Herring Prospectus or the Prospectus.

Each of the Selling Shareholders, severally and not jointly, confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, they have held the Offered Shares for a continuous period of at least one year prior to the date of this Draft Red Herring Prospectus or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL LIMITED, AXIS CAPITAL LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED (COLLECTIVELY, THE “BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS 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. 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 THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY, ARE RESPONSIBLE FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS ABOUT OR IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY, DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 18, 2025, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)

REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED 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 THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information including our Company's website at www.milestonegroup.co.in, would be doing so at his or her own risk. Each Selling Shareholder and their respective affiliates, trustees, and associates accept or undertake no responsibility for any statements, disclosures or undertakings other than those specifically undertaken or confirmed by such Selling Shareholder in relation to themselves and the Equity Shares being offered by them in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders, severally and not jointly (to the extent that the information pertain to themselves and their respective portions of the Offered Shares through the Offer Documents), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters, Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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 Selling Shareholders, Underwriters, Book Running Lead Managers and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoters, members of the Promoter Group, the Selling Shareholders 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, the Promoters, members of the Promoter Group, the Selling Shareholders and their respective officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Bidders eligible under Indian law to participate in the Offer

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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, multilateral and bilateral development financial institutions, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs registered with the RBI, or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, 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 the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI 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.

This Draft Red Herring Prospectus does not constitute an offer to sell or 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 Draft 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 in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus 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 should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Certain persons outside India are restricted from participating in the Offer. For details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 464.

Eligibility and transfer restrictions

The Equity Shares have not been and will not be registered under 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” as defined in and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated

by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to the BSE and NSE for obtaining their permission for the listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder severally and not jointly, confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid / Offer Closing Date, or within such timeline as prescribed by 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 of interest as may be prescribed under applicable law. Any Offer related expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders severally and not jointly, to the extent of its respective proportion of Offer related expenses. All estimated Offer related expenses will be borne proportionately by the Selling Shareholders and will be deducted from the proceeds of the Offer for Sale and subsequently, the balance amount from the Offer for Sale will be paid to the Selling Shareholders.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, our independent chartered accountant, the practising company secretary, the chartered engineer, legal counsel to the Company as to Indian law, Banker(s) to our Company, the Book Running Lead Managers and the Registrar to the Offer have been obtained; and consents in writing of the Monitoring Agency, Syndicate Members, Public Offer Account Bank, Sponsor Bank(s), Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with the RoC.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 17, 2025 from J. R. Khanna & Co., Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated November 12, 2025 on our Restated Financial Information; and (ii) report dated November 17, 2025, on the statement of possible special tax benefits in respect of the Company and its Shareholders, included in this Draft Red Herring Prospectus and such

consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated November 17, 2025 from Bansal & Co LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their names as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of various certificates issued by them in their capacity as the independent chartered accountant to our Company.

Our Company has received written consent dated November 17, 2025, from Deepankar Sharma, independent chartered engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in relation to the Project Report.

Further, our Company has received written consent dated November 18, 2025 from Deepankar Sharma, independent chartered engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in relation to his certificate on the installed production capacity and capacity utilization of the Company’s products and certain details in relation to the total manufacturing and processing facilities owned and leased by the Company.

Our Company has received written consent dated November 6, 2025, from Shirin Bhatt & Associates, Practicing Company Secretaries, to include their name as required under Section 2(38) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their search report dated November 6, 2025, in connection with the Offer.

Our Company has received written consent dated November 18, 2025, from Shirin Bhatt & Associates, Practicing Company Secretaries, to include their name as required under Section 2(38) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate on ‘Certificate on Compliance with Companies Act’.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in “*Capital Structure*” on page 100, our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed group companies, subsidiaries or associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – last public/rights issue of our listed subsidiaries/promoters

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries or promoters.

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange, and accordingly, no stock market data is available for the Equity Shares

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Other confirmations

There has been no instance of issuance of equity shares in the past by the Company, Subsidiaries, Group Companies or entities forming part of the Promoter Group to more than 49 or 200 investors in violation of:

- a. Section 67(3) of Companies Act, 1956; or
- b. Relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
- c. The SEBI ICDR Regulations; or
- d. The SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable

Price information of past issues handled by the BRLMs

(a) JM Financial Limited

A. Price information of past issues handled by JM Financial Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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.	Emmvee Photovoltaic Power Limited*	29,000.00	217.00	November 18, 2025	217.00	Not Applicable	Not Applicable	Not Applicable
2.	Canara HSBC Life Insurance Company Limited* ⁸	25,159.50	106.00	October 17, 2025	106.00	13.50% [0.78%]	Not Applicable	Not Applicable
3.	Rubicon Research Limited* ⁹	13,775.00	485.00	October 16, 2025	620.00	47.18% [1.27%]	Not Applicable	Not Applicable
4.	Canara Robeco Asset Management Limited*	13,261.26	266.00	October 16, 2025	280.25	9.81% [1.27%]	Not Applicable	Not Applicable
5.	Wework India Management Limited* ⁷	29,996.43	648.00	October 10, 2025	650.00	-2.48% [0.82%]	Not Applicable	Not Applicable
6.	Urban Company Limited* ¹¹	19,000.00	103.00	September 17, 2025	162.25	53.83% [1.01%]	Not Applicable	Not Applicable
7.	Vikram Solar Limited*	20,793.69	332.00	August 26, 2025	338.00	-1.48% [1.40%]	Not Applicable	Not Applicable
8.	JSW Cement Limited*	36,000.00	147.00	August 14, 2025	153.50	1.17% [1.96%]	-16.64% [4.32%]	Not Applicable
9.	Brigade Hotel Ventures Limited* ¹⁰	7,596.00	90.00	July 31, 2025	81.10	-3.22% [-1.38%]	-7.32% [4.72%]	Not Applicable
10.	GNG Electronics Limited*	4,604.35	237.00	July 30, 2025	355.00	42.55% [-1.42%]	35.46% [4.47%]	Not Applicable

Source: www.nseindia.com and www.bseindia.com

BSE as Designated Stock Exchange

* NSE as Designated Stock Exchange

Notes:

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, 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.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of ₹60 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹46 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹3 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹9 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.

B. Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th 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%
2025-2026	20	479,578.13	1	1	7	-	4	6	-	-	-	1	-	-
2024-2025	13	255,434.10	-	-	5	5	2	1	1	3	1	4	1	2
2023-2024	24	288,746.72	-	-	7	4	5	8	-	-	5	7	5	7

(b) Axis Capital Limited

A. Price information of past issues handled by Axis Capital Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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.	Physicswallah Limited ^{** (2)}	34,800.00	109.00	November 18, 2025	145.00	-	-	-
2.	Pine Labs Limited ^{* (2)}	38,999.08	221.00	November 14, 2025	242.00	-	-	-
3.	Billionbrains Garage Ventures Limited ⁽²⁾	66,323.01	100.00	November 12, 2025	112.00	-	-	-
4.	Lenskart Solutions Limited ^{^ (2)}	72,780.15	402.00	November 10, 2025	395.00	-	-	-
5.	Rubicon Research Limited ^{& (2)}	13,775.00	485.00	October 16, 2025	620.00	+47.18%, [+1.27%]	-	-
6.	Canara Robeco Asset Management Company Limited ⁽²⁾	13,261.26	266.00	October 16, 2025	280.25	+9.81%, [+1.27%]	-	-
7.	LG Electronics India Limited ^{§ (2)}	116,047.32	1,140.00	October 14, 2025	1,710.10	+45.38%, [+2.90%]	-	-
8.	Tata Capital Limited ⁽²⁾	155,118.72	326.00	October 13, 2025	330.00	-0.11%, [+1.85%]	-	-
9.	Atlanta Electricals Limited ^{# (1)}	6,873.41	754.00	September 29, 2025	858.10	+27.82%, [+5.30%]	-	-
10.	Euro Pratik Sales Limited ^{@ (2)}	4,513.15	247.00	September 23, 2025	272.10	+3.08%, [+2.68%]	-	-

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾ BSE as Designated Stock Exchange

⁽²⁾ NSE as Designated Stock Exchange

^{**} Offer Price was ₹99.00 per equity share to Eligible Employees

^{*} Offer Price was ₹200.00 per equity share to Eligible Employees

[^] Offer Price was ₹383.00 per equity share to Eligible Employees

[&] Offer Price was ₹439.00 per equity share to Eligible Employees

^{\$} Offer Price was ₹1,032.00 per equity share to Eligible Employees

[#] Offer Price was ₹684.00 per equity share to Eligible Employees

[@] Offer Price was ₹234.00 per equity share to Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- 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.
- 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.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- 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.

B. Summary statement of price information of past issues handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th 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%
2025-2026*	17	714,187.46	-	-	3	1	3	6	-	-	-	1	-	-
2024-2025	20	445,928.65	-	1	2	7	6	4	-	3	3	9	1	4
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	3	7	4	4

* The information is as on the date of the 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.

C. Motilal Oswal Investment Advisors Limited

A. Price information of past issues handled by Motilal Oswal Investment Advisors Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue name	Designated Stock Exchange	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in `)	+/- % 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.	Billionbrains Garage Ventures	NSE	66,323.01	100.00	November 12, 2025	112.00	Not applicable	Not applicable	Not applicable

Sr. No.	Issue name	Designated Stock Exchange	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in `)	+/- % 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
	Limited								
2.	Midwest Limited ^{##}	NSE	4,510.00	1,065.00	October 24, 2025	1,165.00	Not applicable	Not applicable	Not applicable
3.	Canara HSBC Life Insurance Company Limited ^{\$\$}	NSE	25,159.50	106.00	October 17, 2025	106.00	13.50% [0.78%]	Not applicable	Not applicable
4.	Jain Resource Recycling Limited	NSE	12,500.00	232.00	October 1, 2025	265.05	71.37% [4.19%]	Not applicable	Not applicable
5.	Epack Prefab Technologies Limited	NSE	5,040.00	204.00	October 1, 2025	183.85	29.77% [4.19%]	Not applicable	Not applicable
6.	Jaro Institute of Technology Management & Research Limited	NSE	4,500.00	890.00	September 30, 2025	890.00	-32.12% [5.86%]	Not applicable	Not applicable
7.	Atlanta Electricals Limited ^{&&}	BSE	6,873.41	754.00	September 29, 2025	858.10	27.82% [5.30%]	Not applicable	Not applicable
8.	Ganesh Consumer Products Limited ^{**}	BSE	4,087.98	322.00	September 29, 2025	295.00	-12.05% [5.30%]	Not applicable	Not applicable
9.	Saatvik Green Energy Limited ^{&}	BSE	9,001.97	465.00	September 26, 2025	460.00	9.26% [4.71%]	Not applicable	Not applicable
10.	Ivalue Infosolutions Limited	NSE	5,602.95	299.00	September 25, 2025	284.95	-13.01% [3.63%]	Not applicable	Not applicable

Source: www.nseindia.com and www.bseindia.com

Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the designated stock exchange.
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th days
4. Not applicable – Period not completed.

^{##} A discount of ₹101 per equity share was provided to eligible employees bidding in the employee reservation portion.

^{\$\$} A discount of ₹10 per equity share was provided to eligible employees bidding in the employee reservation portion.

^{&&} A discount of ₹70 per equity share was provided to eligible employees bidding in the employee reservation portion.

^{**} A discount of ₹30 per equity share was provided to eligible employees bidding in the employee reservation portion.

[&] A discount of ₹44 per equity share was provided to eligible employees bidding in the employee reservation portion.

B. Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th 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%
2025-2026	18	374,675.16	-	1	4	3	4	4	-	-	-	-	1	1

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th 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	7	108,359.23	-	-	2	1	-	4	-	1	1	-	1	4
2023-2024	7	62,714.73	-	-	2	-	1	4	-	-	2	-	2	3

The information for each of the financial years is based on issues listed during such financial year.

Notes: 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.

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange.

Track record of past issues handled by the BRLMs

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, see the website of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
(a)	JM Financial Limited	www.jmfl.com
(b)	Axis Capital Limited	www.axiscapital.co.in
(c)	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

Mechanism for Redressal of Investor Grievances in the Offer

In terms of the 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. The Bidders shall be compensated by the SCSBs in accordance with SEBI ICDR Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of the 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 Book Running Lead Managers, 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.

In accordance with the SEBI ICDR Master Circular, 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 application 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.

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 the SEBI ICDR Master Circular.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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 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 applicable SEBI ICDR Regulations. In terms of the SEBI ICDR Master Circular, 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.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All 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, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

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

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholders, 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 applicable SEBI ICDR Regulations. 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 intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company shall, after filing this Draft Red Herring Prospectus, obtain authentication on the SCORES in compliance with the SEBI master circular bearing reference number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders' Relationship Committee, see "*Our Management – Committees of our Board*" on page 292.

Our Company has also appointed Mohinder Singh, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information – Company Secretary and Compliance Officer*" on page 92. Each of the Selling Shareholders, severally and not jointly, has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to deal with, on their behalf, any investor grievances received in the Offer in relation to their respective portion of the Offered Shares.

In the three years preceding the date of this Draft Red Herring Prospectus, our Company has not received any investor complaints. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints in relation to

our Company.

The Selling Shareholders severally and not jointly, have authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint provided however, in relation to complaints pertaining to blocking / unblocking of funds, investor complaints shall be resolved on 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.

Exemptions from complying with any provision of securities laws, if any, granted by SEBI

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

Other confirmations

There are no conflicts of interest between (i) the suppliers of raw materials and third-party service providers (crucial for operations of our Company) or (ii) the lessors of our immovable properties (crucial for our operations) and our Company, Promoters, Promoter Group, Key Managerial Personnels, Directors, Group Companies, and their directors.

No person connected with the Offer shall 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.

Except as disclosed in the Draft Red Herring Prospectus, there are no findings / observations pursuant to any inspections of the Company by SEBI or any other regulatory authority that we considered material and non-disclosure of which may have bearing on the investment decisions of the Bidders.

SECTION X - OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer – Offer Related Expenses*”, on page 133.

Ranking of the Equity Shares

The Equity Shares being issued, offered and Allotted in the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Articles of Association*” on page 465.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Articles of Association*” on pages 308 and 465, respectively.

Face Value, Floor Price, Price Band and Offer Price

The face value of the Equity Shares is ₹2 each. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and advertised in all editions of [●], an English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their 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, in accordance with the SEBI ICDR Regulations, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or ‘e-voting’ in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including 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 our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, see “*Articles of Association*” on page 465.

Allotment of Equity Shares only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, SEBI Listing Regulations and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 13, 2025, amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated September 25, 2025, amongst our Company, CDSL and the Registrar to the Offer.

For details in relation to the Basis of Allotment, see “*Offer Procedure*” on page 443.

Market Lot and Trading Lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 443.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The competent courts of Himachal Pradesh, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See “– *Bid / Offer programme*” on page 434.

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.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in

whom, in the event of the death of the sole Bidder or in case of joint Bidders, the 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 death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person 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 the 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 nominating holder of such Equity Shares. 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 or variation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the 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, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the Bidder will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid / Offer programme

BID / OFFER OPENS ON	[●]⁽¹⁾
BID / OFFER CLOSES ON	[●]⁽²⁾⁽³⁾

(1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company, in consultation with the BRLMs, may consider closing the Bid / Offer Period for QIBs one day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5.00 p.m. on Bid / Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*In case of (i) 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 at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Bids, exceeding 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. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

While the 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 the Bid / Offer Closing Date, or such other period as may be prescribed by the SEBI, 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, and delay in respect of final certificates from SCSBs. 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. Each Selling Shareholder, severally and not jointly, confirms that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed. Provided that the Bid/Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.

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 from the Bid / Offer Closing Date or such other time as may be 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 Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to 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) – For Retail Individual Bidders	Only between 10.00 a.m. and up to 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 up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIBs where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification / Revision / cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders categories [#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/Offer Closing Date
Modification / cancellation of Bids by Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST

**UPI mandate end time and date shall be at 5.00 pm on Bid / Offer Closing Date.*

[#] QIBs and Non-Institutional Bidders can 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 Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received 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 SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in the SEBI ICDR Master Circular.

To avoid duplication, the facility of re-initiation provided to Syndicate Members 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.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to 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, and in any case no later than the prescribed time on the Bid / Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid / Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid / Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid / Offer period. Investors may note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid / Offer Period till 5.00 pm on the Bid / Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid / Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid / Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid / Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, 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 Price Band, and the revised Bid / Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. 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-à-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

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvment 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 Bids or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular and SEBI RTA Master Circular. If there is a delay beyond four days, our Company, the Selling Shareholders, severally and not jointly, to the extent applicable, and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest at the rate of 15% or such other interest rate as prescribed under applicable law, including SEBI ICDR Master Circular and SEBI RTA Master Circular.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards Equity Shares offered by the Selling Shareholders in proportion to the Offered Shares being offered by the Selling Shareholders and only then, towards the balance Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, 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, our Company and the Selling Shareholders, severally and not jointly, shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders, severally and not jointly, shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act, the UPI Circulars and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoters' contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 100, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Articles of Association*" at page 465.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges. However, Allottees may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue portion of the Offer is not subscribed.

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer and price band advertisement was 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. Further, the Stock Exchanges shall be informed promptly in this

regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) 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. In the event of withdrawal of the Offer and subsequently, plans of a fresh public offering of equity shares by our Company, a fresh draft red herring prospectus will be filed again with SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Bid / Offer Closing Date or such other period as may be prescribed under applicable law, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. 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 being made through the Book Building Process, and in terms of Regulation 6(1) and Regulation 31 of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR. The Offer is of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹11,000.00 million comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹8,000.00 million by our Company and an Offer for Sale of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹3,000.00 million by the Selling Shareholders.

The Offer shall constitute [●]% of the post Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹1,600.00 million, as may be permitted under applicable law, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) in accordance with Regulation 54 of SEBI ICDR Regulations. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation ^{*(2)}	Not more than [●] Equity Shares of face value of ₹2 each	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer size 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 balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Bidders, subject to the following: (i) one-third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares of face value of ₹2 each shall be	The [●] Equity Shares of face value of ₹2 each available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than	The Allotment to each Retail Individual Bidder 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 details, see “Offer Procedure” on page 443.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares of face value of ₹2 each may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	₹0.20 million and up to ₹1.00 million, and (ii) two-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The Allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 443.	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each, that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares of face value of ₹2 each
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer, subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter		
Trading Lot	One Equity Share		
Who can apply ⁽³⁾⁽⁵⁾	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible 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 sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	Investment Fund set up by the Government of India, 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 Systemically Important Non-Banking Financial Companies and accredited investors as defined in regulation 2(1)(ab) of the SEBI AIF Regulations, for the limited purpose of their investment in angel funds registered with SEBI, under the SEBI AIF Regulations.		
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 (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI mechanism.		

* Assuming full subscription in the Offer

- (1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations and subject to there being (i) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is up to ₹2,500.00, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and (ii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five Anchor Investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 15 Anchor Investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. Anchor Investors must Bid for an amount of at least ₹100.00 million. Forty-percent of the Anchor Investor Portion shall be reserved for (i) 33.33 per cent for domestic Mutual Funds; and (ii) 6.67 per cent for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 443.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders 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 Bidders shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.
- Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 432.
- (3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (4) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.
- (5) Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 448 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. 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; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Pursuant to the SEBI ICDR Master Circular certain additional measures for streamlining the process of initial public offers and redressing investor grievances have been introduced. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022, are also deemed to form part of this Draft Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. The SEBI ICDR Master Circular has consolidated and rescinded the aforementioned circulars, to the extent they relate to the SEBI ICDR Regulations. The SEBI ICDR Master Circular has prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Further, the provisions of the SEBI RTA Master Circular, which prescribe certain additional measures for streamlining the process of initial public offers and redressing investor grievances, are deemed to form part of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 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 on the Bid Amount 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, unless otherwise prescribed under 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. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Subsequently, pursuant to the SEBI ICDR Master Circular and the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular), applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories 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.

Further, our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

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, 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 to QIBs on a proportionate basis, 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 in accordance with the SEBI ICDR Regulations, of which (i) 33.33 per cent shall be reserved for domestic mutual funds ; and (ii) 6.67 per cent shall be reserved for Life Insurance Companies and Pension Funds subject to valid Bids being received from them at or above the Anchor Investor Allocation Price and any under-subscription in (ii) above may be allocated to domestic mutual funds. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 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, 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 Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following and in accordance with the SEBI ICDR Regulations: (i) one-third of the Non-Institutional Portion 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 Non-Institutional Portion shall be reserved for applicants with 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 Bidders.

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 Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws and the receipt of valid Bids at or above the Offer Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

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 Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline and submit confirmation of the unblock to the BRLMs and Registrar within the prescribed timelines would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint from among the SCSBs as 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.

Further, in terms of the UPI Circulars, 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.

NPCI through its circular NPCI/UPI/OC No. 127/ 2021-22 dated December 9, 2021, has enhanced the per transaction limit from ₹0.20 million to ₹0.50 million for applications using UPI Mechanism in initial public offerings.

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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

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 the Book Building process 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 the 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 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' 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 Bidders 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 relevant Bidding Centers and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process. The UPI Bidders can Bid through the UPI Mechanism.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms submitted by UPI Bidders that do not contain the UPI ID are liable to be rejected.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual 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 Retail Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

ASBA Bidders may submit the ASBA Form in the manner below:

- a) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- b) UPI Bidders using the UPI Mechanism may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- c) QIBs and NIBs (other than NIBs using the UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

In terms of the SEBI ICDR Master Circular and the SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular), all 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. The circular is applicable for all categories of investors viz. Retail Individual Bidders, QIBs, Non-Institutional Bidders, and also for all modes through which the applications are processed. ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder.

Non-Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

*Excluding electronic Bid cum Application Forms.

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) 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. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. 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. The Sponsor Banks shall initiate request for blocking of funds through NPCI to 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 (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, 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 Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular and SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, each to the extent not rescinded by the SEBI ICDR Master Circular.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding 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 Banks will undertake a reconciliation of Bid requests received from Stock Exchanges and sent to NPCI. Sponsor Banks 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 Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis. The Sponsor Banks 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 Banks will undertake final reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share consolidated reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars.

The Sponsor Banks shall host web portals for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Participation by the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate Members and Bids by Anchor Investors

The BRLMs and the Syndicate Members shall not be allowed to purchase/subscribe the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

In terms of the SEBI ICDR Regulations, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion, 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 which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers” 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.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters or members of the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the

Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company, in consultation with BRLMs reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 exchange traded fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis by using resident forms should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity 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 OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share 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 a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 464.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made 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 FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock

exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, investments by FPIs in the Equity Shares are subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital 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%, under the automatic route). In terms of the FEMA NDI Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to the master circular with reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, 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 FPI investor group 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 is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments (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 if it complies with the following conditions:

- a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids and are liable to be rejected:

- FPIs which utilise the multi-investment manager structure in accordance with the SEBI master circular bearing reference number EBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 to facilitate implementation of SEBI FPI Regulations (such structure “**MIM Structure**”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
- Offshore derivative instruments 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.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, 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. Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

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 compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

FPIs must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital on a fully diluted basis shall be liable to be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by SEBI registered AIFs, VCFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (the “**SEBI VCF Regulations**”), VCFs which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA NDI Rules.

All Non-Resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with BRLMs, reserve 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 (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, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate equity investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular and the SEBI circulars dated September 13, 2012, and January 2, 2013 (to the extent not rescinded by the SEBI ICDR Master Circular). 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 Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company, in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 read with the Investments – master circular dated October 27, 2022, each as amended ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

The exposure norms for insurers, prescribed under the IRDA Investment Regulations, 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.*

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approval as may be required by the NBFC-SI, must 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. 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 Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, 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 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve 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, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with BRLMs reserves the right to reject any Bid, without assigning any reason therefor.

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 to be made available for the Anchor Investor Portion at the offices of the BRLMs.

- b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- c) Forty-percent of the Anchor Investor Portion shall be reserved for (i) 33.33 per cent for domestic Mutual Funds; and (ii) 6.67 per cent for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price.
- 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, in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million;
 - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
 - in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to 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) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- i) 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 or pensions funds sponsored by entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associate of the and BRLMs) can apply in the Offer under the Anchor Investor Portion.
- j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus, when filed. 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 laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

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 BRLMs 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 Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹0.20 million with respect to RIBs if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹0.20 million with respect to RIBs, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer and Price Band Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer and Price Band advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh where our Registered Office is located), each with wide circulation. Our Company shall, in the pre-Offer and Price Band advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date, as applicable, as well as the Price Band decided by our Company in consultation with the BRLMs. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement prior to the filing of the Prospectus. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can

revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. All Bidders (other than Anchor Investors) should submit their Bids using the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID and not the bank account of any third party;
5. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
6. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name 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 or in the list as updated on the SEBI website from time to time. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;
10. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
11. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;
12. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), 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, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
13. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
14. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Collecting Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

15. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
16. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
17. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 and SEBI circular no. MRD/DoP/SE/Cir-13/06 dated September 26, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
19. Ensure that the Demographic Details are updated, true and correct in all respects;
20. 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;
21. 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;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
25. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
26. 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.
27. 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;
28. In case of QIBs and NIBs, 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>);

29. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), 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;
30. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;
31. UPI 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;
32. UPI Bidders Bidding 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 Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;
33. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
34. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
35. Ensure that ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;
36. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid / Offer Closing Date; and
37. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021. September 17, 2021, and March 28, 2023.

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 SEBI website in terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by RIBs);
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by 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. Bids by HUFs not mentioned correctly as provided in “ – Bids by HUFs” on page 448;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer / Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
14. If you are a NIB or a RIB, do not submit your Bid (physical applications) after 1.00 pm on the Bid / Offer Closing Date;
15. 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);
16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
17. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million;
19. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders);
20. Do not submit the General Index Register (GIR) number instead of the PAN;
21. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
22. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids until the Bid / Offer Closing Date;
24. 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;
25. 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;

26. 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;
27. 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);
28. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
29. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
30. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
31. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
32. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders); and
33. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular and the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (to the extent not rescinded by the SEBI ICDR Master Circular), see “*General Information – Book Running Lead Managers*” on page 92.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document. In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular no. CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs and by Non-Institutional Bidders (not using the UPI Mechanism) after 4.00 pm on the Bid/ Offer Closing Date, and Bids by RIBs and UPI Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information – Company Secretary and Compliance Officer*” on page 92.

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, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, and SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, each to the extent not rescinded by the SEBI ICDR Master Circular.

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, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus 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 Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidder 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 Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-thirds of the portion available to Non-Institutional Bidders 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 Bidders in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size for Non-Institutional Bidders, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in

their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and 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 of the Issuer 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 Company are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and 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 shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper and in all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Himachal Pradesh where our Registered Office is located), each with wide circulation.

Undertakings by our Company

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer and Price Band advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- (vii) that if our Company, in consultation with the BRLMs, withdraw the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Selling Shareholders subsequently decide to proceed with the Offer thereafter;
- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- (ix) that minimum promoters' contribution shall be brought in advance before the Bid / Offer Opening Date;
- (x) that except for the Equity Shares that may be allotted pursuant to the (i) Fresh Issue; and (ii) Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.; and
- (xi) compliance with all disclosure and accounting norms as may be specified by SEBI from time to time.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake the following in respect of themselves as the Selling Shareholders, and the Offered Shares:

- (i) 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;
- (ii) that they are the legal and beneficial owner and have full title to their respective portion of the Offered Shares of the Offered Shares;
- (iii) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer;
- (iv) that the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the Bidders free and clear of any encumbrance within the time specified under applicable law;
- (v) that they shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Offered Shares;
- (vi) that they shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the Share Escrow Agreement to be executed between the parties to such Share Escrow Agreement;
- (vii) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (viii) that they will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: *“Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”* The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the 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 ₹1.00 million or one per cent of the turnover of the 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 ₹5.00 million or with both.

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. Under the Industrial Policy, 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 / departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, consolidated and supersedes all previous press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a Non-Resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the 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 FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA NDI Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA NDI Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA NDI Rules. In the event such prior 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 Bid / Offer Period. 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 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

As per the FDI Policy, FDI in companies engaged in the manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route. For further details, see “*Key Regulations and Policies in India*” on page 269.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 443.

The Equity Shares have not been and will not be registered under 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” as defined in and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION XI –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.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MILESTONE GEARS LIMITED

(Company Incorporated under companies Act, 1956)

PRELIMINARY

1. The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013, as amended from time to time, shall not apply to the Company, except in so far as the same are repeated, contained, or expressly made applicable in these Articles or by the said Act.
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion, substitution, modification, repeal, variation, alteration and addition thereto by resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

DEFINITIONS AND INTERPRETATION

3. In the interpretation of these Articles, the following words expressions, unless repugnant to the subject or context, shall mean the following:
 - (i) **“Act” or “the said Act”** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force including any rules, regulations and circulars prescribed thereunder as now enacted or as amended from time to time and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
 - (ii) **“Annual General Meeting”** means the annual general meeting of the Company convened and held in accordance with the Act;
 - (iii) **“Articles of Association” or “Articles”** mean these articles of association of the Company, as may be altered from time to time in accordance with the Act;
 - (iv) **“Board” or “Board of Directors”** means the board of directors of the Company in office at applicable times;
 - (v) **“Beneficial Owner”** means a Person whose name is recorded as such with a Depository;
 - (vi) **“Company”** means Milestone Gears Limited; a company incorporated under the laws of India;
 - (vii) **“Depository”** means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

- (viii) “**Director**” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the provisions of these Articles;
- (ix) “**Equity Shares**” means the equity shares of Rs. 2- each, in the issued, subscribed and paid up equity share capital of the Company;
- (x) “**Extraordinary General Meeting**” means Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof convened and held in accordance with the Act;
- (xi) “**General Meeting**” means any duly convened meeting of the shareholders of the Company and any adjournments thereof.
- (xii) “**Governmental Authority**” means any government or quasi-government authority, ministry, statutory or regulatory authority, government department, agency, commission, board, tribunal, judicial authority, quasi-judicial authority, or court or any entity exercising executive, legislative, judicial, regulatory or administrative, financial, supervisory, determinative, disciplinary or taxation functions of or pertaining to or purporting to have jurisdiction on behalf of or representing the Government of India, or any other relevant jurisdiction, or any state, municipality, district or other subdivision or instrumentality thereof, which has authority or jurisdiction with respect to the business of the Company;
- (xiii) “**Law**” means any applicable national, supranational, foreign, provincial, local or other law, regulations, including applicable provisions of: (i) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Governmental Authority, statutory authority, court, tribunal having jurisdiction over the relevant party; (ii) Approvals; and (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority, statutory authority, court or tribunal; in each case having jurisdiction over such Party;
- (xiv) “**Member**”, in relation to the Company, means—
 - (a) 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;
 - (b) 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;
 - (c) every person holding Shares of the Company and whose name is entered as a Beneficial Owner in the records of the Depository;
- (xv) “**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, (as amended, substituted, replaced from time to time);;
- (xvi) “**Office**” means the registered office, for the time being, of the Company;
- (xvii) “**Officer**” shall have the meaning assigned thereto by the Act;
- (xviii) “**Ordinary Resolution**” and “**Special Resolution**” shall have the same meaning as specified under Section 114 of the Act;
- (xix) “**Register of Members**” means the register of members to be kept in pursuance to the provisions of the Act;
- (xx) “**Security(ies)**” means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956;
- (xxi) “**Shares**” mean the shares of the Company issued from time to time and carrying rights as set out in these Articles including preference shares and the Equity Shares;
- (xxii) “**Year**” means the calendar year and “**Financial Year**”, the period starting from 1st day of April and ending on the 31st day of March every year in relation to the Company means.

4. Except where the context requires otherwise, these Articles will be interpreted as follows:

- (a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.
- (b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
- (c) words importing the singular shall include the plural and vice versa;
- (d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
- (e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
- (f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;
- (g) any reference to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;
- (h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (i) references made to any provision of the Act or the Rules shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
 - (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
 - (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision;
- (k) references to writing include any mode of reproducing words in a legible and non-transitory form;
- (l) references to **Rupees, Re., Rs., INR, ₹** are references to the lawful currency of India; and
- (m) save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

SHARE CAPITAL

5. AUTHORISED SHARE CAPITAL

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

6. KINDS OF SHARE CAPITAL

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

- (a) Equity share capital:

- (i) with voting rights; and/or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

7. SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being 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 or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

8. NEW CAPITAL PART OF THE EXISTING CAPITAL

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 as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

9. ALLOTMENT OTHERWISE THAN IN CASH

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed as fully paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

10. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CAPITAL

Subject to the provisions of Section 61 of the Act and other applicable law, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

- (a) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- (b) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (c) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
- (d) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

11. FURTHER ISSUE OF SHARES

- (a) Where at any time the Board, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
- (i) To the persons who at the date of the offer are holders of the 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 conditions mentioned in (ii) to (iv) below;
 - (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under applicable law) and not exceeding 30 (Thirty) days or any such period prescribed under applicable law from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined.

The notice referred 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. or any such period prescribed under applicable law.
 - (iii) 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 sub-clause(ii) shall contain a statement of this right;
 - (iv) 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 and to such person(s), as they may think, in their sole discretion, fit, which is not disadvantageous to the shareholders and the Company; or
 - (A) 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 applicable law; or
 - (B) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (A) or clause (B), 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 the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed;
- (b) 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 loans raised by the Company to convert such debentures or loans into shares in the Company(whether such option is conferred in these Articles or otherwise).
- 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 general meeting.
- (c) Notwithstanding anything contained in this Article, where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:
- Provided** that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.
- (d) In determining the terms and conditions of conversion under sub clause (c), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may

consider necessary.

- (e) Where the Government has, by an order made under sub clause (c), directed that any debenture or loan or any part thereof shall be converted into shares in the Company] and where no appeal has been preferred to the Tribunal under sub clause (c)) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, stand altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

12. ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

13. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the issue of the name of allottee in the Register as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

14. VARIATION OF SHAREHOLDERS' RIGHTS

- (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Section 48 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.
- (b) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.
- (c) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

15. PREFERENCE SHARES

(a) Redeemable preference shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible preference shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion of such shares into such securities on such terms as they may deem fit.

16. AMALGAMATION

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with

any other person, firm or body corporate subject to the provisions of the Act.

LIEN

17. COMPANY'S LIEN ON SHARES / DEBENTURES

The Company shall have a first and paramount lien—

- (a) on every share/ debenture (not being a fully paid share/ debenture) registered in the name of each member (whether solely or jointly with others) and upon proceeds of sale thereof, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/ debenture; and
- (b) on all shares/debentures (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company and no equitable interest in any share or debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

The fully paid-up shares shall be free from all liens and in respect of any partly paid shares/ debentures of the Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

18. LIEN TO EXTEND TO DIVIDENDS, ETC.

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

19. ENFORCING LIEN BY SALE

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 to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. VALIDITY OF SALE

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

21. VALIDITY OF COMPANY'S RECEIPT

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

22. APPLICATION OF SALE PROCEEDS

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the

amount in respect of which the lien exists as is presently payable 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 the person entitled to the shares at the date of the sale.

23. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

24. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

25. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by 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. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders in a General Meeting.

26. NOTICE FOR CALL

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 shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

27. CALL WHEN MADE

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in instalments.

28. LIABILITY OF JOINT HOLDERS FOR A CALL

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

29. CALLS TO CARRY INTEREST

If a Member fails to pay any call, or instalment of a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at an interest rate of ten per cent per annum or at such lower rate, if any, as the Board may determine but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

30. DUES DEEMED TO BE CALLS

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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

31. **EFFECT OF NON-PAYMENT OF SUMS**

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.

32. **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Board – may, subject to provisions of section 50 of the Act, if it thinks fit, agree to and receive from any Member willing to advance the same, whole or any part of the monies uncalled and unpaid 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, and upon all or any of the monies so advanced 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 not exceeding, unless the Company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him. The Directors may at any times repay the amount so advanced. The provisions of this Article shall *mutatis mutandis* apply to calls on debentures of the Company.

33. **PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company to the extent permissible under applicable law.

TRANSFER AND TRANSMISSION OF SHARES

34. **ENDORSEMENT OF TRANSFER**

Subject to the provisions of applicable Law in respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

35. **INSTRUMENT OF TRANSFER**

- (a) The instrument of transfer of any share shall be in writing and all the provisions of section 56 of the Act and of any statutory modification thereof for the time being and applicable law shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use common form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. The Company shall 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.

The register and index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 (22 of 1996), shall be deemed to be the corresponding register and index for the purposes of this Act.

- (b) The Board may decline to recognize any instrument of transfer unless-
- (i) the instrument of transfer is in the form prescribed under the Act;
 - (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

36. EXECUTION OF TRANSFER INSTRUMENT

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

37. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty-five (45) days in each year as it may seem expedient.

38. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the provisions of section 56, 58 and section 59 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, and other applicable provisions of the Act or any other law for the time being in force, the Board may decline or refuse whether in pursuance of any power of the Company under these Articles or otherwise in accordance with the applicable law by giving reasons, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any shares whether fully paid or not or interest or debentures of a Member in the Company, after providing sufficient cause. The Directors shall, within a period of one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of transfer of any securities shall 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 except where the Company has a lien on shares. Transfer of shares/ debentures in whatever lot shall not be refused.

39. TRANSFER OF PARTLY PAID SHARES

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

40. TITLE TO SHARES OF DECEASED MEMBERS

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

41. TRANSFERS NOT PERMITTED

No share shall in any circumstances be transferred to any infant, or a person of unsound mind, except fully paid shares through a legal guardian.

42. TRANSMISSION OF SHARES

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to

give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall select to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

43. RIGHTS ON TRANSMISSION

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

44. SHARE CERTIFICATES TO BE SURRENDERED

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

45. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS

The Company shall incur no liability or responsibility whatever in consequence of its 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 rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, 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 Board shall so think fit.

46. TRANSFER AND TRANSMISSION OF DEBENTURES

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of any securities including, debentures of the Company.

FORFEITURE OF SHARES

47. BOARD TO HAVE A RIGHT TO FORFEIT SHARES

If a Member fails to pay any call, or installment of a call or any money due in respect of any share or consideration towards shares allotted otherwise than in cash or cash in lieu thereof if approved by the Board of Directors, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment or consideration remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or consideration or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

48. NOTICE FOR FORFEITURE OF SHARES

The notice aforesaid shall:

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of services 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.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

49. **RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable law.

50. **FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated 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 thinks fit.

51. **ENTRY OF FORFEITURE IN REGISTER OF MEMBERS**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

52. **MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

53. **EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

54. **CERTIFICATE OF FORFEITURE**

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

55. **TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see

to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, allotment or disposal of the share. The provisions as to forfeiture in this Article shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

56. **VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

57. **CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

58. **BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any share so forfeited shall have them sold, allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

59. **SURRENDER OF SHARE**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

60. **SUMS DEEMED TO BE CALLS**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

61. **PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

ALTERATION OF CAPITAL

62. **INCREASE IN SHARE CAPITAL**

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.

63. **SHARES MAY BE CONVERTED INTO STOCK**

Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“Member” shall include “stock” and “stock-holder” respectively.

64. **REDUCTION OF CAPITAL**

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, (a) cancel paid up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid up share capital which is in excess of the wants of the Company; 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.

65. **RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CAPITALISATION OF PROFITS

66. **CAPITALISATION OF PROFITS**

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
 - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company’s reserve accounts or securities premium account or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
 - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub -clause (ii).
 - (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to

Members of the Company as fully paid bonus shares.

- (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

67. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and
 - (ii) 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 or other securities 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 the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.
- (c) Any agreement made under such authority shall be effective and binding on such Members.

68. BUY BACK OF SHARES

Notwithstanding anything contained in these Articles, but subject to section 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

69. ANNUAL GENERAL MEETINGS

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.
- (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

70. EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

71. EXTRAORDINARY MEETINGS ON REQUISITION

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

72. NOTICE FOR GENERAL MEETINGS

All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other

person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

73. SHORTER NOTICE ADMISSIBLE

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) days.

74. CIRCULATION OF MEMBERS' RESOLUTION

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

75. SPECIAL AND ORDINARY BUSINESS

(a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

76. QUORUM FOR GENERAL MEETING

Five (5) Members or such other number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

77. TIME FOR QUORUM AND ADJOURNMENT

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

78. CHAIRMAN OF GENERAL MEETING

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

79. ADJOURNMENT OF MEETING

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

80. VOTING AT MEETING

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General 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. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

81. DECISION BY POLL

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

82. CASTING VOTE OF CHAIRMAN

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

83. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.
- (c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTE OF MEMBERS

84. VOTING RIGHTS OF MEMBERS

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 holding Equity Shares and present in person shall have one vote.
- (b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

85. VOTING BY JOINT-HOLDERS

In case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

86. VOTING BY MEMBER OF UNSOUND MIND

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 legal guardian may, on a poll, vote by proxy.

87. NO RIGHT TO VOTE UNLESS CALLS ARE PAID

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

88. PROXY

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his

constituted attorney or through another person as a proxy on his behalf, for that meeting.

89. INSTRUMENT OF PROXY

An instrument appointing a proxy shall be in the form as prescribed under the Section 105 of the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal, if any or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the registered Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

90. VALIDITY OF PROXY

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

91. CORPORATE MEMBERS

Any corporation or body corporate (whether a company or not within the Act) which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation or body corporate which he represents as that corporation or body corporate could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

BOARD OF DIRECTORS

92. NUMBER OF DIRECTORS

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Additional and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. Further, such appointment of such Independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable law.

The following were first Directors of the Company at the time of incorporation of the Company:

1. Mr. Ashok Kumar Tandon

2. Mrs. Aradhna Tandon

93. SHARE QUALIFICATION

A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

94. ADDITIONAL DIRECTORS

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

95. ALTERNATE DIRECTORS

(a) The Board may, subject to provisions of the Act, 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 3 (three) months from India (hereinafter in this Article called the “**Original Director**”).

- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

96. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

97. REMUNERATION OF DIRECTORS

- (a) A Director (other than a Managing Director or Whole-Time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including Managing Director and/or Whole-Time Director may be paid in accordance with the applicable provisions of the Act.
- (b) The Board of Directors may allow and pay or reimburse any Director such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company’s business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.
- (c) The Managing Directors/ Whole-Time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint full time/part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

98. REMUNERATION FOR EXTRA SERVICES

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

99. NUMBER OF DIRECTORS BELOW MINIMUM

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for the meeting of a Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting of the Company, but for no other purpose.

100. VACATION OF OFFICE OF DIRECTOR

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

ROTATION AND RETIREMENT OF DIRECTOR

101. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held every year, one-third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

102. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

103. WHICH DIRECTOR TO RETIRE

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

104. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office after giving him a reasonable opportunity of being heard and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director re-appointed for second term under the provisions of the Act shall be removed by the company as provided under the Act.

105. DIRECTOR IN COMPANIES PROMOTED BY THE COMPANY

Directors of the Company may be or become a director of any company promoted by the Company or in which the Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

106. MEETINGS OF THE BOARD

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of 120 (one hundred and twenty) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board or as may be mutually agreed between the Directors.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least 7 (seven) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to such conditions as may be specified in the laws applicable for the time being in force the condition that at least one independent director, if any, shall be present at the meeting. Provided that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through

the use of video conferencing shall be counted for the purpose of quorum.

107. **QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Director presiding shall have a second or casting vote.

108. **QUORUM**

Subject to the provisions of the Act and other applicable law, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength of the Board, the number of Directors who are not interested and present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

109. **ADJOURNED MEETING**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

110. **ELECTION OF CHAIRMAN OF BOARD**

The Board may elect a chairman of its meeting and may determine the period for which he is to hold office. If no such chairman is elected or at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one among themselves to be the chairman of the meeting.

111. **POWERS OF DIRECTORS**

- (a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

112. **DELEGATION OF POWERS**

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members or members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

113. **ELECTION OF CHAIRMAN OF COMMITTEE**

- (a) The Board may designate a person as chairman of a committee or in his absence or where no such

designation is made a committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.

- (b) The quorum of a committee may be fixed by the Board of Directors.

114. QUESTIONS HOW DETERMINED

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

115. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

116. RESOLUTION BY CIRCULATION

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the Directors or Members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution passed by circulation must be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made a part of the minutes of such meeting.

117. MAINTENANCE OF FOREIGN REGISTER

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

118. BORROWING POWERS

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.
- (b) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

- (c) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and may be issued on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the consent of the Company in General Meeting accorded by a Special Resolution and subject to the provisions of the Act.

119. **NOMINEE DIRECTORS**

- (a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the “**Corporation**”) so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as “**Nominee Directors/s**”) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).
- (b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (c) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.
- (d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

120. **MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

- (a) The Board may from time to time and with such sanction(s) as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.
- (c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.
- (d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

121. **POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR**

The managing director/whole time director shall, subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for

all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

122. **REIMBURSEMENT OF EXPENSES**

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

123. **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act —

- (a) A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.
- (c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
- (d) Any vacancy in the office of a chief executive officer, Director, compliance officer or chief financial officer shall be filled within prescribed time.

COMMON SEAL

124. **COMMON SEAL**

The Company shall not have any common seal

DIVIDEND

125. **COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

126. **INTERIM DIVIDENDS**

Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

127. **RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

- (a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.
- (b) Where the Company has declared a dividend but which has not been paid or claimed or the warrant in respect thereof has not been posted within thirty (30) days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed or in relation to which no dividend warrant has been posted, to a special account to be opened by the Company in that behalf in any scheduled bank to be called 'Unpaid Dividend Account'.

- (c) Any money 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 along with the interest accrued, if any, to the fund known as Investor Education and Protection Fund established under Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
- (e) All shares in respect of which the dividend has not been paid or claimed for 7 (Seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.
- (f) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

128. **DIVISION OF PROFITS**

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.

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

129. **DIVIDENDS TO BE APPORTIONED**

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.

130. **TRANSFER TO RESERVE(S)**

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied 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.
- (b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

131. **DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

132. **RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 57 to 70 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

133. **RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares. 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.

134. DIVIDEND HOW REMITTED

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or 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. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

135. DIVIDENDS NOT TO BEAR INTEREST

No dividends shall bear interest against the Company.

136. TRANSFER OF SHARES AND DIVIDENDS

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

ACCOUNTS

137. WHERE BOOKS OF ACCOUNTS TO BE KEPT

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Act.

138. INSPECTION BY DIRECTORS

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

139. INSPECTION BY MEMBERS

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

WINDING UP

140. Subject to the provisions of Chapter XX of the Act and rules made thereunder–

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

141. APPLICATION OF ASSETS

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding

up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

INDEMNITY

142. DIRECTORS' AND OFFICERS' RIGHT TO INDEMNITY

Subject to the provisions of the Act and other Applicable Law, every Director and Officer of the Company shall be indemnified by 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. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, wilful misconduct or bad faith acts or omissions of such Director or Officer.

143. INSURANCE

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

SHARE CERTIFICATES

144. ISSUE OF CERTIFICATE

- (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within two months after the after incorporation in the case of a person whose name is entered as a member in the register of members. The Board may, in its discretion, allow for sub-division or consolidation of share certificates. Every certificate of shares shall be under the seal of the Company, if any and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be signed by two Directors or by a director and the company secretary, wherever the company has appointed a company secretary and shall be in such form as the directors may prescribe and approve.

Provided that in respect of a 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 of shares to one of several joint holders shall be a sufficient delivery to all such holders.

Notwithstanding anything contained in these Articles, the Board may, in their absolute discretion refuse sub-division or consolidation of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law.

- (b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Twenty (20). The Company shall comply with the provisions of Section 46 of the Act.

145. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed Rupees Twenty (20)). Provided that no fee shall be charged for issue of new certificates in

replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

UNDERWRITING & BROKERAGE

146. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.

- (a) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (b) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

SERVICE OF DOCUMENTS AND NOTICE

147. MEMBERS TO NOTIFY ADDRESS IN INDIA

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

148. SERVICE ON MEMBERS

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears. The service of any notice to Member may be made by the Company through any permitted mode.

149. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS

A 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 or representatives of the deceased, assignees of the insolvent 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 serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

150. NOTICE BY ADVERTISEMENT

Subject to the provisions of the Act any document required to be served or sent by the Company to the Members, and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

151. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

SECRECY CLAUSE

152. SECRECY

Subject to the Law no Member shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

INVESTMENT POWER

153. INVESTMENT

The Board may from time to time at its discretion subject to the provisions of the act give any loan to anybody corporate(s)/ person(s) ; give any guarantee or provide security in connection with a loan to anybody corporate(s) / persons(s) ; acquire by way of subscription, purchase or otherwise , securities of anybody corporate from time to time in one or more trenches; and invest surplus moneys of the Company not immediately required, in immovable properties, shares, stock, bonds, debentures, obligations, mutual funds or other securities or in current or deposit account/s with Banks and to hold, sell or otherwise deal with such investments.”

GENERAL POWER

154. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

155. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 and any subordinate legislation framed thereunder, which are administered by any appropriate authority, then the provisions of such applicable law shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the applicable law, from time to time.

SECTION XII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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 will be attached to the copy of the Red Herring Prospectus and the Prospectus which will be filed with the RoC and will also be available on the website of our Company which can be accessed at <https://www.milestonesgroup.co.in/investors/>. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date (except for such agreements executed after the Bid / Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material contracts for the Offer

1. Offer Agreement dated November 18, 2025, entered amongst our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated November 18, 2025, entered amongst our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●], entered amongst our Company, the Selling Shareholders, the Registrar to the Offer, Syndicate Members, the BRLMs and the Banker(s) to the Offer.
4. Share Escrow Agreement dated [●], entered amongst the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●], entered amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar.
6. Monitoring Agency Agreement dated [●], entered amongst our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●], entered amongst our Company, the Selling Shareholders and the Underwriters.

B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated April 27, 1984, issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar.
3. Fresh certificate of incorporation consequent to the conversion of our Company into a public limited company and change in the name of our Company from 'Milestone Gears Private Limited' to 'Milestone Gears Limited', dated October 7, 2025, issued to our Company by the Registrar of Companies, Central Processing Centre.
4. Resolution of the Board of Directors dated November 18, 2025, authorising the Offer and other related matters.
5. Resolution of the Shareholders dated November 18, 2025, authorising the Fresh Issue and other related matters.
6. Resolution of the Board of Directors dated November 18, 2025, taking on record the consent of each of the Selling Shareholders to participate in the Offer for Sale.

7. Resolution of the Board of Directors dated November 18, 2025, approving this Draft Red Herring Prospectus.
8. Resolution dated November 18, 2025, passed by the Audit Committee approving the key performance indicators for disclosure.
9. Consent letters from each of the Selling Shareholders in relation to the Offer for Sale.
10. Consent letter dated November 14, 2025, from 1Lattice to rely on and reproduce part or whole of the report, "*Gears and precision components industry report*" dated November 2025.
11. Industry report titled "*Gears and precision components industry report*" dated November 2025, issued by 1Lattice which is a paid report and was commissioned by us pursuant to an engagement letter dated July 7, 2025, exclusively in connection with the Offer, and which is available on the website of our Company.
12. Certificate dated November 18, 2025, issued by Bansal & Co LLP., Chartered Accountants certifying the key performance indicators of our Company.
13. Consent from J. R. Khanna & Co., Chartered Accountants, the Statutory Auditors dated November 17, 2025, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory Auditors and in respect of their (i) examination report dated November 12, 2025 on our Restated Financial Information; and (ii) report dated November 17, 2025 on the statement of possible special tax benefits available to our Company and our Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
14. The examination report dated November 12, 2025, from our Statutory Auditors on our Restated Financial Information.
15. Consent letter dated November 17, 2025, from Bansal & Co 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 Draft Red Herring Prospectus 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 on certain financial and operational information included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
16. Consent letter dated November 18, 2025, from Deepankar Sharma, Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to the certificate dated November 18, 2025 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
17. Certificate dated November 6, 2025, from Shirin Bhatt & Associates, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013, in respect of their search report dated November 6, 2025 in connection with certain untraceable corporate records of our Company, certain details of which have been included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
18. Consent letter dated November 17, 2025, from Deepankar Sharma, Chartered Engineer, to include his name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in relation to

the Project Report and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

19. Certificate dated November 18, 2025, from Shirin Bhatt & Associates, Practicing Company Secretaries, to include their name as required under Section 2(38) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated November 18, 2025 on ‘Certificate on Compliance with Companies Act’.
20. The Project Report dated November 17, 2025, prepared by Deepankar Sharma, Chartered Engineer, on the proposed capital expenditure for the setting up of a new manufacturing facility.
21. Report issued by the Statutory Auditors dated November 17, 2025, on the statement of possible special tax benefits available to our Company and our Shareholders.
22. Consent of our Directors, the Selling Shareholders, BRLMs, Syndicate Members, the legal counsel to the Company, Registrar to the Offer, Monitoring Agency, Banker(s) to the Offer, Banker to our Company, Company Secretary and Compliance Officer, and Chief Financial Officer, as referred to in their specific capacities.
23. Tripartite agreement dated August 13, 2025 amongst our Company, NSDL and the Registrar to the Offer.
24. Tripartite agreement dated September 25, 2025 amongst our Company, CDSL and the Registrar to the Offer.
25. Due diligence certificate dated November 18, 2025, addressed to SEBI from the BRLMs.
26. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
27. SEBI observation letter dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashok Kumar Tandon

(Chairman cum Executive Director)

Place: Panchkula, Haryana

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Aman Tandon

(Managing Director)

Place: Kalka, Haryana

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Biresh Kumar Thakur

(Executive Director and Chief Executive Officer)

Place: Kalka, Haryana

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Neha

(Independent Director)

Place: Chandigarh

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vivek Prakash
(Independent Director)

Place: Gurugram, Haryana

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Yudhisthir Lal Madan
(Independent Director)

Place: Gurugram, Haryana

Date: November 18, 2025

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Pankaj Budhiraja
Chief Financial Officer

Place: Kalka, Haryana

Date: November 18, 2025

DECLARATION

I, Ashok Kumar Tandon, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Ashok Kumar Tandon

Place: Panchkula, Haryana

Date: November 18, 2025

DECLARATION

I, Aman Tandon, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Selling Shareholder, and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Aman Tandon

Place: Kalka, Haryana

Date: November 18, 2025

DECLARATION

I, Amit Tandon, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Group Selling Shareholder, and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Amit Tandon

Place: Kalka, Haryana

Date: November 18, 2025

DECLARATION

I, Aradhna Tandon, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Group Selling Shareholder, and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Aradhna Tandon

Place: Panchkula, Haryana

Date: November 18, 2025

DECLARATION

I, Gagandeep Kaur Chawla, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as an Other Selling Shareholder, and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings, including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Gagandeep Kaur Chawla

Place: Panchkula, Haryana

Date: November 18, 2025