(Please scan this QR Code to view the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated August 12, 2024
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

METALMAN AUTO LIMITED

CORPORATE IDENTITY NUMBER: U34103DL1986PLC305213

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera New Delhi 110 037, Delhi, India	Tarun Kumar *Company Secretary and Compliance Officer*	compliance@metalmanauto.com +91 85 9593 9914	www.metalmanauto.com

OUR PROMOTERS: BIKRAMJIT BEMBI, NAVNEET JAIRATH, SACHIN BEMBI AND NISHANT JAIRATH

DETAILS OF THE OFFER TO PUBLIC

TYPE	FRESH ISSUE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION
Fresh Issue and Offer for Sale	Up to [●] equity shares of face value of ₹ 2 each aggregating up to ₹ 3,500.00 million	Up to 12,636,162 equity shares of face value of ₹ 2 each aggregating up to ₹ [●] million	Up to [●] equity shares of face value of ₹ 2 each aggregating up to ₹ [●] 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**"). See "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 459. For details of share reservation among QIBs, NIIs and RIIs, see "***Offer Structure***" beginning on page 484.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^
Bikramjit Bembi	Promoter Selling Shareholder	Up to 1,895,424 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.15
Navneet Jairath	Promoter Selling Shareholder	Up to 1,895,424 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.16
Sachin Bembi	Promoter Selling Shareholder	Up to 2,558,824 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.01
Nishant Jairath	Promoter Selling Shareholder	Up to 2,558,824 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.02
Sonia Bembi Seth	Promoter Group Selling Shareholder	Up to 1,200,433 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.01
Nisha Jairath	Promoter Group Selling Shareholder	Up to 1,200,433 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	1.95
Savita Bembi	Promoter Group Selling Shareholder	Up to 663,400 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.18
Navita Jairath	Promoter Group Selling Shareholder	Up to 663,400 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million	0.18

^*As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the book running lead managers ("**Book Running Lead Managers**"), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process (*defined hereinafter*), in accordance with the SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" beginning on page 123 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 an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares 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***" beginning on page 32.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the 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. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or the other Selling Shareholders or any other person, 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 being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] shall be 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 up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 521.

DETAILS OF BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS		CONTACT PERSON(S)	E-MAIL AND TELEPHONE
AXIS CAPITAL	Axis Capital Limited	Jigar Jain	metalman.ipo@axiscap.in; + 91 22 4325 2183
ICICI Securities	ICICI Securities Limited	Gaurav Mittal/Nikita Chirania	metalman.ipo@icicisecurities.com; +91 22 6807 7100
Motilal Oswal Investment Banking	Motilal Oswal Investment Advisors Limited	Ritu Sharma	metalmanipo@motilaloswal.com; +91 22 7193 4380

DETAILS OF REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
Link Intime India Private Limited	Shanti Gopalkrishnan	metalman.ipo@linkintime.co.in; +91 810 811 4949

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE(1)	[●]	BID/OFFER OPENS ON(1)	[●]	BID/OFFER CLOSES ON(2)(3)	[●]

(1) *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.*
(2) *Our Company, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working 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 pm on the Bid/Offer Closing Date.*

DRAFT RED HERRING PROSPECTUS
Dated August 12, 2024
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

METALMAN

METALMAN AUTO LIMITED

Our Company was incorporated as "Metalman Auto Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh situated at Jalandhar, Punjab, India on May 16, 1986. Our registered office was shifted from the state of Punjab, India to the state of Madhya Pradesh, India pursuant to a resolution passed by our Shareholders on November 23, 1989, and a certificate of registration dated April 12, 1991 pursuant to transfer of registered office to another state, confirming the order of the Company Law Board, Northern Region, New Delhi, Delhi, India dated March 11, 1991, was issued by the Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh, India. Subsequently our registered office was shifted from the state of Madhya Pradesh to the state of Punjab pursuant to a resolution passed by our Shareholders on October 12, 1998, and a certificate of registration dated January 3, 2000 pursuant to transfer of the registered office to another state, confirming order of the Company Law Board, Bench Mumbai, Mumbai, Maharashtra, India dated December 8, 1999, was issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar, Punjab, India. Thereafter, our registered office was shifted from the state of Punjab to the state of Delhi pursuant to a resolution passed by our Shareholders on March 22, 2016 and a certificate of registration dated August 31, 2016 pursuant to transfer of the registered office to another state, confirming the order of the Regional Director dated August 5, 2016, was issued by the Registrar of Companies, Delhi and Haryana at New Delhi, Delhi, India ("**RoC**"). Upon the conversion of our Company into a public limited company, pursuant to a board resolution dated May 14, 2024 and a Shareholders' resolution dated May 15, 2024, our Company was converted into a public limited company, and consequently, the name of our Company was changed to "Metalman Auto Limited" and a fresh certificate of incorporation dated July 3, 2024 was issued by the RoC. See "***History and Certain Corporate Matters – Changes in the registered office of our Company***" on page 292.

Registered and Corporate Office: JMK Tower, First Floor, NH-8, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110 037, Delhi, India; **Tel:** +91 240 665 2444
Contact Person: Tarun Kumar, Company Secretary and Compliance Officer; **Tel:** +91 85 9593 9914
Corporate Identity Number: U34103DL1986PLC305213; **E-mail**: compliance@metalmanauto.com; **Website**: www. metalmanauto.com

OUR PROMOTERS: BIKRAMJIT BEMBI, NAVNEET JAIRATH, SACHIN BEMBI AND NISHANT JAIRATH

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF METALMAN AUTO LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"), COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,636,162 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"), CONSISTING OF UP TO 1,895,424 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY BIKRAMJIT BEMBI, UP TO 1,895,424 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NAVNEET JAIRATH, UP TO 2,558,824 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SACHIN BEMBI, UP TO 2,558,824 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NISHANT JAIRATH (COLLECTIVELY "PROMOTER SELLING SHAREHOLDERS") UP TO 1,200,433 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SONIA BEMBI SETH, UP TO 1,200,433 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NISHA JAIRATH, UP TO 663,400 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SAVITA BEMBI AND UP TO 663,400 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NAVITA JAIRATH (COLLECTIVELY "PROMOTER GROUP SELLING SHAREHOLDERS") (THE "PROMOTER SELLING SHAREHOLDERS" AND THE "PROMOTER GROUP SELLING SHAREHOLDERS", TOGETHER, THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES "OFFERED SHARES").

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 SIZE 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 ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE AND NSE FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, may 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 press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (*defined hereinafter*) in case of UPI Bidders (*defined hereinafter*)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" beginning on page 484.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process (*defined hereinafter*), in accordance with the SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" beginning on page 123 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 an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the 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***" beginning on page 32.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the 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. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Promoter Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or the other Selling Shareholders or any other person, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be 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 up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 521.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	ICICI Securities	MOTILAL OSWAL INVESTMENT BANKING	LINKIntime
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025, Maharashtra, India **Tel:** + 91 22 4325 2183 **E-mail:** metalman.ipo@axiscap.in **Investor Grievance E-mail:** complaints@axiscap.in **Contact Person:** Jigar Jain **Website:** www.axiscapital.co.in **SEBI Registration:** INM000012029	**ICICI Securities Limited** ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** metalman.ipo@icicisecurities.com **Investor Grievance E-mail:** customercare@icicisecurities.com **Contact Person**: Gaurav Mittal/Nikita Chirania **Website:** www.icicisecurities.com **SEBI Registration:** INM000011179	**Motilal Oswal Investment Advisors Limited** Motilal Oswal Tower Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 7193 4380 **E-mail:** metalmanipo@motilaloswal.com **Investor Grievance E-mail:** moiaplredressal@motilaloswal.com **Contact Person:** Ritu Sharma **Website:** www.motilaloswalgroup.com **SEBI Registration:** INM000011005	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail:** metalman.ipo@linkintime.co.in **Investor Grievance E-mail:** metalman.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **Website:** www.linkintime.co.in **SEBI Registration:** INR000004058

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE[(1)]	[●]	BID/OFFER OPENS ON[(1)]	[●]	BID/OFFER CLOSES ON[(2)(3)]	[●]

(1) *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.*
(2) *Our Company, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working 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 pm on the Bid/Offer Closing Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policy, circular, notification or clarification shall be to such legislation, act, regulation, rules, guidelines, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the 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. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined below), the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**" and "**our Company**", are references to Metalman Auto Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered and Corporate Office at JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110 037, Delhi, India, on a standalone basis. Furthermore, unless the context otherwise indicates, all references to the terms, "**we**", "**us**" **and** "**our**" are to our Company and Metalman Micro Turners (defined below) on a consolidated basis.*

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, 2013, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

*Notwithstanding the foregoing, terms in "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Other Material Developments**" and "**Main Provisions of the Articles of Association**", beginning on pages 131, 139, 321, 444 and 502, respectively, will have the meaning ascribed to such terms in those respective sections.*

Company and Selling Shareholder Related Terms

Term	Description
Articles of Association or AoA or Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in "***Our Management – Committees of our Board – Audit Committee***" on page 306.
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, M S K A & Associates, Chartered Accountants.
Aurangabad Manufacturing Unit 1	Our manufacturing unit situated at B-30, 31 Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
Aurangabad Manufacturing Unit 2	Our manufacturing unit situated at Plot No. B-17, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
Aurangabad Manufacturing Unit 3	Our manufacturing facility situated at Plot No. B-12 (Part-1), Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
Aurangabad Manufacturing Unit 4	Our manufacturing unit situated at Plot No. B-03, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
Board or Board of Directors	The board of directors of our Company, as described in "***Our Management***" beginning on page 298.
Chairman and Whole-Time Director	The chairman and whole-time director on our Board, being Bikramjit Bembi. For details, please see "***Our Management***" beginning on page 298.
Chief Financial Officer	The chief financial officer of our Company, being Ajay Kumar Dubey. See "***Our Management – Key Managerial Personnel***" on page 313.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Tarun Kumar. See "***Our Management – Key Managerial Personnel***" on page 313.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "***Our Management – Committees of our Board – Corporate Social Responsibility Committee***" on page 313.
Dharuhera Manufacturing Unit	Our manufacturing unit situated at Khewat No. 64, Khatoni No. 65, Mustatil No. 35//23/1 (4-0), 35//23/2 (4-0), 35//24 (8-0), Mustatil No. 44//3 (8-0), 44//4 (8-0), 35//18(8-0), Situated in the revenue village of Kapriwas, Sub Tehsil Dharuhera, District Rewari 123 106, Haryana, India.

Term	Description
Director(s)	The directors on our Board, as appointed from time to time.
Equity Shares	Equity shares of our Company having face value of ₹ 2 each.
Hosur Manufacturing Unit	Our manufacturing unit situated at Survey Nos. 477, 478, 476, 473, and 475/1, in Mathigiri Village of Hosur Taluk, Kelamangalam, District Krishnagiri 635 114, Tamil Nadu, India.
Promoters or Promoter Selling Shareholder(s)	Promoter(s) of our Company, being Bikramjit Bembi, Navneet Jairath, Sachin Bembi and Nishant Jairath. See "***Our Promoter and Promoter Group***" beginning on page 316.
Promoter Group Selling Shareholder(s)	Sonia Bembi Seth, Nisha Jairath, Savita Bembi and Navita Jairath
Group Company/(ies)	Group company/ies of our Company in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations, as disclosed in *"**Group Companies**"* beginning on page 456.
Independent Director(s)	The non-executive independent directors on our Board, as disclosed in "***Our Management***" beginning on page 298.
Key Managerial Personnel or KMP	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "***Our Management – Key Managerial Personnel***" on page 313.
Managing Director	The managing director on our Board, being Navneet Jairath. See "***Our Management***" beginning on page 298.
Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time.
Metalman Micro Turners/MMT	Metalman Micro Turners, a partnership firm constituted under the Indian Partnership Act, 1932, in which our Company is a partner, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with Ind AS for the purposes of the Restated Consolidated Financial Information
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management – Committees of our Board – Nomination and Remuneration Committee***" on page 309.
Pantnagar Manufacturing Unit	Our manufacturing unit situated at Plot No.15 & 17, Sector 9, Industrial Area IIE Pantnagar, District Udham Singh Nagar 263 153, Uttarakhand, India.
Pithampur Manufacturing Unit 1	Our manufacturing unit situated at Plot No. 116, Industrial Growth Centre Pithampur, Sector-3, District Dhar 431 136, Madhya Pradesh, India.
Pithampur Manufacturing Unit 2	Our manufacturing unit situated at Plot No. 502, 503 and 504 Industrial Growth Centre Pithampur, Sector-3, District-Dhar, District Dhar 431 136, Madhya Pradesh, India.
Promoter Group	The individuals and the entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "***Our Promoter and Promoter Group***" beginning on page 316.
Registered and Corporate Office	The registered and corporate office of our Company located at JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110 037, Delhi, India.
Registrar of Companies or RoC	Registrar of Companies, Delhi and Haryana at New Delhi.
Restated Consolidated Financial Information	Restated consolidated financial information of our Company and Metalman Micro Turners as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprising the restated consolidated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 , the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of significant accounting policies and other explanatory notes, prepared in accordance with Ind AS and as per requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended 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.
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management – Committees of our Board – Risk Management Committee***" on page 311.
Selling Shareholder(s)	The Promoter Selling Shareholder(s) and Promoter Group Selling Shareholder(s).
Senior Management Personnel or SMP	Senior management personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "***Our Management – Senior Management Personnel***" on page 314.
Shareholder(s)	Shareholder(s) of our Company from time to time.
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management – Committees of our Board – Stakeholders Relationship Committee***"

Term	Description
	on page 310.
Whole-Time Director(s)	The whole-time director(s) on our Board, as disclosed in "***Our Management***" beginning on page 298.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary/(ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh issue and transfer of the Equity Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
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 SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs.
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 the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of 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.
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 and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
ASBA/Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorizing an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
Axis	Axis Capital Limited.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank, the Public Offer Account Bank(s) and the Sponsor Bank(s).

Term	Description
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" beginning on page 484.
Bid	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible 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 payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of Retail Individual Investors Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder/Applicant	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 ASBA Bidder and an Anchor Investor.
Bid Lot	[●] equity shares of face value ₹ 2 each and in multiples of [●] equity shares of face value ₹ 2 each thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located), and in case of any revision, the extended Bid/Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), 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 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.
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, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located), and in case of any revision, the extended Bid/Offer Opening Date also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. 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.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the 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 Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Managers/BRLMs	The book running lead managers to the Offer, being Axis, ISec and Motilal.

Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
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 or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the BRLMs, and the Banker(s) to the Offer for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
CDP/Collecting Depository Participant	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 circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
CRISIL	CRISIL Limited.
CRISIL Report	Report titled "*Assessment of market potential for metal and associated components in automotive market*", dated August 12, 2024 prepared by CRISIL, which is exclusively prepared for the purpose of the Offer and issued by CRISIL and is commissioned and paid for by our Company.
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalized by our Company, in consultation with the BRLMs. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Designated CDP Locations	Such 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 websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time.
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary/(ies)	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer.
Designated RTA Locations	Such locations of the RTAs where ASBA 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, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring	This draft red herring prospectus dated August 12, 2024 issued in accordance with the

Term	Description
Prospectus/DRHP	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 FPI	FPIs(s) that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI	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 Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●].
First or sole Bidder	The 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 thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fresh Issue	The fresh issue component of the Offer comprising an issuance of up to [●] equity shares of face value ₹ 2 each at [●] per Equity Shares (including a share premium of ₹ [●] per Equity Shares) aggregating up to ₹ 3,500.00 million by our Company.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document/GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI 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.
I-Sec	ICICI Securities Limited.
March 2021 Circular	SEBI circular dated March 16, 2021 as amended by its circulars dated April 20, 2022 and May 30, 2022.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus.
Motilal	Motilal Oswal Investment Advisors Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] equity shares of face value ₹ 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	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see "***Objects of the Offer***" beginning on page 107.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Category	The portion of the Offer being not less than 15% of the Offer consisting of [●] equity shares of face value ₹ 2 each , available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Offer Price.
Non-Institutional Investors/NIIs	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
NPCI	National Payments Corporation of India.
NR/Non-Resident	Person resident outside India, as defined under FEMA and includes non-resident Indians, FVCIs and FPIs.
Offer	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity

Term	Description
	Share aggregating up to ₹ [●] million comprising of the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated August 12, 2024 among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 12,636,162 Offered Shares aggregating up to ₹ [●] million by the Selling Shareholders in the Offer. For further information, see "***The Offer***" beginning on page [●].
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which 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. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which 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.
Offered Shares	Up to 12,636,162 Equity Shares aggregating up to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLMs, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located), 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.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened.
Public Offer Account(s)	The 'no-lien' and 'non-interest bearing' bank account(s) opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
QIB Portion	The portion of the Offer being not more than 50% of the Offer or [●] equity shares of face value ₹ 2 each , available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price.
QIBs/Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price 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 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 'no-lien' and 'non-interest bearing' account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	The stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock 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 Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI.
Registrar Agreement	The agreement dated August 12, 2024 entered into between 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 to the Offer/Registrar	Link Intime India Private Limited.

Term	Description
Retail Individual Investor(s)/RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion/Retail Category	The portion of the Offer being not less than 35% of the Offer consisting of [●] equity shares of face value ₹ 2 each, available for allocation to Retail Individual Investors as per 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 Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.
RTAs/Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
Self Certified Syndicate Bank(s)/SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website from time to time.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank(s)	[●], being Banker(s) to the Offer, appointed by the 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 UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	Together, 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 Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bids by the Syndicate.
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer, namely, [●].
Syndicate/Members of the Syndicate	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders, on or after the Pricing Date but prior to filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by the NPCI.
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail

Term	Description
	Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 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/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or 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 application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that shall be used by a UPI Bidder to make an ASBA Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to 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 terms of the circulars issued by SEBI.

Key performance indicators

Term	Description
Cash Conversion Cycle	Cash Conversion Cycle days indicate the working capital requirements in relation to revenue generated from operations.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
Fixed Asset Turnover Ratio	Fixed assets turnover ratio measures the efficiency of the fixed assets (property, plant and equipment) in generating revenue.
Net Debt to EBITDA ratio	The Net Debt to EBITDA ratio enables us to measure the ability and extent to which we can cover the debt in comparison to the EBITDA being generated by us.
Profit after tax for the year/PAT	Restated Profit for the Year provides information regarding the overall profitability of the business.

Term	Description
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Return on Capital Employed/RoCE	RoCE provides how efficiently the Company generates earnings from the capital employed in the business.
Return on Equity/RoE	RoE provides how efficiently the Company generates profits from shareholders' funds.
Revenue from Operations	Revenue from operations refers to the total turnover of the business from the sale of the products and services and also represents the scale of the business. It also provides information regarding the overall financial performance
Revenue Growth	Growth in Revenue from Operations provides information regarding the growth of the business for the respective year.

Technical/Industry Related Terms

Term	Description
2W	Two-wheeler
3W	Three-wheeler
AI	Artificial intelligence
AV	Agri-vehicle
CBU	Completely built unit
CFT	Cross-functional team
CV	Commercial vehicle
EV	Electric vehicle
HV	Highway vehicle
ICE	Internal combustion engine
ML	Machine Learning
OEM	Original equipment manufacturer
OHV	Off-highway vehicle
PDI	Pre-delivery inspection
PPAP	Production part approval process
PV	Passenger vehicle
SCADA	Supervisory control and data acquisition
TAM	Total addressable market

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting of shareholders under the Companies Act, 2013.
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations.
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
Banking Regulation Act	Banking Regulation Act, 1949.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
Client ID	Client identification number of the Bidder's beneficiary account.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder.
Companies Act, 2013	Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
COVID-19/Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate social responsibility.
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder.
Depository or Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, namely, NSDL and CDSL.
DGFT	Director General of Foreign Trade, Ministry of Commerce.
DIN	Director Identification Number.
DP ID	Depository Participant's identity number.
DP/Depository Participant	A depository participant as defined under the Depositories Act.

Term	Description
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI.
EGM	Extra-ordinary general meeting.
EIA Notification	the Environmental Impact Assessment Notification, 2006.
EP Act	Environment Protection Act, 1986.
EPCG Scheme	The Export Promotion Capital Goods Scheme.
EP Rules	Environment Protection Rules, 1986.
EPS	Earnings per share.
Factories Act	Factories Act, 1948.
FAME India	Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme.
FCNR	Foreign Currency Non-Resident.
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA.
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Finance Act	Finance Act, 2022.
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.
FPI(s)	Foreign portfolio investor(s) registered with SEBI pursuant to the SEBI FPI Regulations.
FVCI(s)	Foreign venture capital investor(s) registered with SEBI pursuant to the SEBI FVCI Regulations.
FVTPL	Fair Value through Profit and Loss.
GoI/Central Government	The Government of India.
GST	The Goods and Services Tax.
HUF(s)	Hindu undivided family/(ies).
Hazardous Wastes Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
ICAI	Institute of Chartered Accountants of India.
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.
IEC	Importer-Exporter Code number.
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board.
Income Tax Act	Income-tax Act, 1961.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
INR/Indian Rupees/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India.
IST	Indian Standard Time.
IT Act	Information Technology Act, 2000.
KPI(s)	Key performance indicator(s) as disclosed in "***Basis for Offer Price – Key performance indicators ("KPIs")***" on page 125.
MCA/Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India.
MSME(s)	Micro, Small or a Medium Enterprise(s).
Mn	Million
NACH	National Automated Clearing House.
NAV	Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year after taking effect of bonus shares and split of equity shares.
NBFC-SI(s)	Systemically important non-banking financial company/(ies) as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.

Term	Description
NEMMP	The National Electric Mobility Mission Plan 2020.
NCLT	National Company Law Tribunal.
NRE	Non-Resident External.
NRI(s)	Non-Resident Indian(s).
NRO	Non-Resident Ordinary.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
Patents Act	Patents Act, 1970.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCORES	SEBI complaints redress system.
SEBI	Securities and Exchange Board of India, constituted under section 3 of 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 Investor) Regulations, 2000.
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
SEBI SBEBSE 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.
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
STT	Securities Transaction Tax.
Trade Marks Act	Trade Marks Act, 1999.
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.
US$/USD/US Dollar	United States Dollar.
USA/U.S./US	United States of America.
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 (*now repealed*) or the SEBI AIF Regulations, as the case may be.
Water Act	Water (Prevention and Control of Pollution) Act, 1974.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

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 in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the corresponding page numbers of this Draft Red Herring Prospectus.

Currency and units of presentation

All references to "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America. All references to "Euro" or "€" are to Euro, the official currency of the European Union. All references to "GBP" or "£" are to British pound sterling, the official currency of the United Kingdom.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in 'million' units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off other than to two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these 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:

(*in ₹*)

Currency	Exchange rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81
1 Euro	89.99	89.52	83.94
1 GBP	105.23	101.56	99.83

Source: Foreign exchange reference rates as available on www.fbil.org.in
Note:
1. *If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
2. *Exchange rate is rounded off to two decimal points.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and other data

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Financial Year are to the 12-month period ended on March 31, of that calendar year.

Unless stated otherwise or the context otherwise requires, the financial data and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Financial Information of our Company and

Metalman Micro Turners as of and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated consolidated statement of assets and liabilities as of March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income) for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows along with the Statement of Material Accounting Policies and other explanatory information for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, which have been prepared specifically for inclusion in this Draft Red Herring Prospectus in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. For further information, see "***Restated Consolidated Financial Information***" beginning on page 321.

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 Ind AS, Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS, Indian GAAP or U.S. 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, Indian GAAP, U.S. GAAP and IFRS see "***Risk Factors – This Draft Red Herring Prospectus contains certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***" on page 65. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage, ratios or amounts (excluding certain operational metrics), with respect to financial information of our Company in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditional and Results of Operations***" beginning on pages 32, 252 and 405, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Consolidated 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 percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources conform to their respective sources. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Non-Generally Accepted Accounting Principles Financial Measures

Certain measures included in this Draft Red Herring Prospectus, for instance Net asset value per Equity Share, EBITDA, EBITDA Margin, PAT Margin, RoCE and RoE among others ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance 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 U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and 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 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. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial 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. See "***Risk Factors – This Draft Red Herring Prospectus contains certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***" on page 65. Further, for a reconciliation of the above Non-GAAP Measures used by us to the most directly comparable financial measure prepared in accordance with Ind AS, see "***Other Financial Information - Non-Generally Accepted Accounting Principles Financial Measures - Reconciliation of Non-GAAP Measures***" on page 402.

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "*Assessment of market potential for metal and associated components in automotive market*" dated August 12, 2024 ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated May 21, 2024, and such CRISIL Report has been exclusively prepared for the purpose of understanding the industry in connection with the Offer, and commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, CRISIL, through their consent letter dated August 10, 2024 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, through their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. The CRISIL Report is available on the website of our Company at www.metalmanauto.com/investors/ until the Bid/Offer Closing Date and has been included as a material document for inspection as disclosed in "***Material Contracts and Documents for Inspection – Material Documents***" on page 521. CRISIL has required us to include the following disclaimer in connection with the CRISIL Report:

"*CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decision should be made solely on the basis of such information. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "***Risk Factors – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks.***" on page 65.

In accordance with the SEBI ICDR Regulations, the section "***Basis for Offer Price***" beginning on page 123 includes information relating to our peer group companies, which has been derived from publicly available sources, and accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely amongst different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***goal***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***", "***project***", "***will***", "***seek to***", "***strive to***", "***will continue***", "***will achieve***" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also 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.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its 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, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industry in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- dependence on our top 10 customers who contributed more than 70.00% of our revenue from operations in each of the last three Financial Years. Our single largest customer contributed more than 29% of our revenue from operations in two of the last three Financial Years;
- we may not be successful in implementing our growth strategies, particularly increasing our market share in the evolving off-highway vehicle and commercial vehicles sectors;
- dependence on the availability and cost of our raw materials including steel;
- we provide products designed to suit the specific needs of our customers and depend on our ability to identify and understand our customers' preferences and requirements;
- dependence on third parties for the supply of raw materials and lack of firm commitments for supply or exclusive arrangements with any of our suppliers;
- dependence on our ability to identify and understand our customers' preferences and requirements for providing customised products and solutions to our customers;
- we derive a significant portion of our revenue from operations from manufacturing and sale of automotive and non-automotive components for 2Ws;
- dependence on third-party manufacturers and other risks in relation to sale of our products;
- dependence on third party transport providers;
- our past performance may not be indicative of our future growth; and
- we may not be successful in penetrating new export markets.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 32, 252 and 405, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, 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 the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders, severally and not jointly, shall ensure that the Bidders in India are informed by our Company of material developments, only in relation to statements and undertakings specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the respective portion of the Offered Shares pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

*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 in "**Risk Factors**", "**The Offer**", "**Capital Structure**", "**Objects of the Offer**", "**Industry Overview**", "**Our Business**", "**Our Promoters and Promoter Group**", "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**", "**Offer Procedure**" and "**Main Provisions of Articles of Association**" beginning on pages 32, 74, 90, 107, 139, 252, 316, 321, 444, 484 and 502, respectively.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of market potential for metal and associated components in automotive market" ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated May 21, 2024 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer Further, CRISIL, through their consent letter dated August 10, 2024 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, through their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. For further information, see "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on page 65. Also see "**Certain Conventions, Presentation of Financial, Industry and Market data – Industry and Market Data**" on page 15. The CRISIL Report is available on the website of our Company at www.metalmanauto.com/ investors/ until the Bid/Offer Closing Date and has been included as a material document for inspection as disclosed in "**Material Contracts and Documents for Inspection – Material Documents**" on page 521. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Summary of our primary business

Incorporated in 1986, we are a one stop shop for sheet metal and tubular fabrication, metal finishing and assembly of components for OEMs in the automotive and non-automotive sectors. (*Source: CRISIL Report*) We are primarily focused on manufacturing metal components for: (i) two-wheeler ("**2Ws**") (including electric vehicles ("**EVs**") and internal combustion engine ("**ICE**")), (ii) three wheelers ("**3Ws**"), (iii) passenger vehicles ("**PVs**"), (iv) commercial vehicles ("**CVs**"), (v) agri-vehicles ("**AVs**") and (vi) off-highway vehicles ("**OHVs**"). We also undertake fabrication and manufacturing of aesthetic-focused components for white body goods (such as front and rear panels and rear covers of washing machines). We are an engineering process focused Company with nine manufacturing units (seven operated by our Company and two operated through Metalman Micro Turners) across five states in India, strategically located in proximity to our OEM customers.

See "***Our Business***" beginning on page 252.

Summary of industry in which we operate

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in Financial Year 2024. Two-wheeler sales constituted 73% of the total auto market comprising 2Ws, 3Ws, PV, CV and AVs by volume in Financial Year 2024. CRISIL MI&A expects the automotive component market size to grow at 9-11% CAGR between Financial Year 2024 and 2029 to reach ₹ 8,500-9,000 billion. In the last 15 years, domestic 2W industry has grown at a CAGR of 6.2% and reached a volume of ₹18.4 million in Fiscal 2024. 2W industry sales are projected to grow at a CAGR of 6 to 8% and reach volumes of 25 to 27 million by Financial Year 2029. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR.The OHV sector grew 24% in volume terms in Financial Year2024. The OHV industry is expected to grow at 10 to 12% over the next 5 years with overall sales volumes expected to reach approximately 170-180k by Financial Year 2029. CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3 to 5% between Financial Years 2024 and 2029. Further, domestic tractor sales are projected to expand at 4 to 6% CAGR during Financial Years 2024 to 2029. The domestic passenger vehicle industry grew at a 5% CAGR during Financial Years 2019 to 2024 period. CRISIL MI&A expects the passenger vehicle industry to clock 4.5 to 6.5% CAGR between Financial Year 2024 to Financial Year 2029 period to reach 5.2-5.7 million domestic vehicle sales.

See "***Industry Overview***" beginning on page 139.

Promoters

Our Promoters are Bikramjit Bembi, Navneet Jairath, Sachin Bembi and Nishant Jairath.

See "***Our Promoters and Promoter Group – Details of our Promoters***" on page 316.

Offer size

The following table summarizes the details of the Offer:

Offer[(1)(2)]	[●] equity shares of face value of ₹ 2 each for cash at a price of ₹ [●] per Equity Share aggregating (including a premium of [●] per Equity Share) to ₹ [●] million
Of which:	
Fresh Issue[(1)]	Up to [●] equity shares aggregating up to ₹ 3,500 million
Offer for Sale[(2)]	Up to 12,636,162 equity shares aggregating to ₹ [●] million by the Selling Shareholders

[(1)] *Our Board has authorised the Offer, pursuant to their resolution dated July 26, 2024. Our Shareholders have authorized the Fresh Issue pursuant to their resolution dated July 27, 2024. Further, our Board has taken on record the consents for the Offer for Sale of the Selling Shareholders pursuant to its resolution dated August 12, 2024.*

[(2)] *Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. For details of the authorization of each of the Selling Shareholders in relation to their respective Offered Shares, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders**" on page 458.*

The Offer would constitute [●] % of the post-Offer paid-up equity share capital of our Company. See "***The Offer***" beginning on page 74.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the objects set forth below:

(*in ₹ million*)

Sr. No	Particulars	Total estimated amount
1.	Part-financing the capital expenditure towards procurement of plant and machinery at our Pithampur Manufacturing Unit 2	250.00
2.	Repayment and/or prepayment, in part or in full, of certain outstanding loans of our Company and Metalman Micro Turners	2,400.00
3.	General corporate purposes	[●]*
	Total Net Proceeds	**[●]**

* *The amount to be spent towards general corporate purposes will be finalised upon determination of the 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.*

See "***Objects of the Offer***" beginning on page 107.

Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoters and members of our Promoter Group, who are also the Selling Shareholders, as a percentage of pre-Offer paid-up Equity Share capital of our Company is set forth below:

S. No.	Name of Shareholder	No. of Equity Shares held	% of Equity Share capital
Promoters (also the Promoter Selling Shareholders)			
1.	Bikramjit Bembi	12,236,280	15.00
2.	Navneet Jairath	12,236,280	15.00
3.	Sachin Bembi	16,518,990	20.25
4.	Nishant Jairath	16,518,990	20.25
Sub-total (A)		**57,510,540**	**70.50**
Promoter Group (also the Promoter Group Selling Shareholders)			
5.	Navita Jairath	4,282,710	5.25

S. No.	Name of Shareholder	No. of Equity Shares held	% of Equity Share capital
6.	Savita Bembi	4,282,710	5.25
7.	Nisha Jairath	7,749,630	9.50
8.	Sonia Bembi Seth	7,749,630	9.50
Sub-total (B)		**24,064,680**	**29.50**
Total (A+B)		**81,575,220**	**100.00**

See "***Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Shareholding of our Promoters and the members of our Promoter Group***" on page 100.

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

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, as derived from the Restated Consolidated Financial Information are set forth below:

(in ₹ million except per share data)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Equity share capital	27.19	27.19	27.19
Net worth(1)	3,354.50	2,853.20	2,184.56
Revenue from operations	15,075.97	10,503.91	10,307.58
Profit for the year	500.04	631.11	349.64
Earnings per Equity Share (2)			
- Basic	6.10	7.74	4.29
- Diluted	6.10	7.74	4.29
Net asset value per Equity Share(3)	41.12	34.98	26.78
Total borrowings(4)	3,127.15	3,106.45	1,854.39

Notes:

(1) *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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital, general reserve, share premium, surplus in the statement of profit and loss and non-controlling interest.*

(2) *Diluted EPS = Net Profit after tax attributable to the owners of the Holding Company for the year, as restated, divided by weighted average number of equity shares and potential equity shares outstanding during the year.*

(3) *Subsequent to the end of the Financial Year ended March 31, 2024, pursuant to resolutions passed by our Board on April 19, 2024 and by our Shareholders on April 24, 2024, the issued, subscribed and paid-up capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹10 each to 13,595,870 equity shares of face value of ₹ 2 each. Further, pursuant to resolutions passed by our Board on April 19, 2024and by our Shareholders on April 24, 2024, the issuance of 67,979,350 equity shares of face value ₹2 each by way of a bonus issue in the ratio of 5 equity shares of face value ₹2 each for every one equity share of face value ₹2 each held, was approved, which were allotted on May 14, 2024.*

(4) *NAV per equity share represents restated net worth as at the end of the year/period, divided by the number of Equity Shares outstanding at the end of the year/period after taking effect of bonus shares and split of equity shares.*

(5) *Total Borrowings is computed as total of current borrowings and non-current borrowings.*

See "***Restated Consolidated Financial Information***" beginning on page 321.

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

There are no qualifications of the Auditors in their examination report, that have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings as disclosed in terms of the SEBI ICDR Regulations in "***Outstanding Litigation and Material Developments***" in this Draft Red Herring Prospectus, is provided below:

Category	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoters	Material pending civil litigation	Aggregate amount involved (in ₹ million)[1]
Company						
Against the Company	Nil	7	Nil	N.A.	4[2][5]	162.56
By the Company	6	N.A.	N.A.	N.A.	4	251.43
Metalman Micro Turners[3]						
Against Metalman Micro Turners	Nil	2	Nil	N.A.	Nil	3.53
By Metalman Micro Turners	3	N.A.	N.A.	N.A.	Nil	7.17
Directors						
Against the Directors	1[4]	Nil	Nil	N.A.	1[5]	2.00
By the Directors	Nil	N.A.	Nil	N.A.	Nil	Nil
Promoters						
Against the Promoters	1[4]	Nil	Nil	Nil	1[5]	2.00
By the Promoters	Nil	N.A.	Nil	N.A.	Nil	Nil
Group Company						
Outstanding litigation which may have a material impact on our Company			Nil			

[1] To the extent quantifiable.
[2] Includes a civil proceeding instituted by Hafiza Bi against our Company, in connection with the criminal proceeding against our Director and Promoter, Sachin Bembi.
[3] As on the date of this Draft Red Herring Prospectus, our Company is a partner of Metalman Micro Turners, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information.
[4] Represents the criminal proceeding against Sachin Bembi, our Director and Promoter.
[5] Represents a material civil proceeding instituted by Escon Infratech Private Limited against our Company wherein our Promoters and Directors, namely Navneet Jairath, Sachin Bembi, Bikramjit Bembi and Nishant Jairath, and our Director Shrikant Gulabchand Mundada are also named as party.

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving our Group Companies which may have a material impact on our Company. See "***Outstanding Litigation and Material Developments***" beginning on page 444.

Risk factors

Specific attention of the investors is invited to "***Risk Factors***" beginning on page 32. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. Set forth below are the summaries of the top 10 risk factors applicable to our Company:

1. we are dependent on our top 10 customers who contribute more than 70% of our revenue from operations with our single largest customer contributing more than 29% of our revenue from operations in each of the last three Financial Years;

2. we may not be successful in implementing our growth strategies, particularly increasing our market share in the evolving off-highway vehicle ("**OHV**") and commercial vehicles ("**CV**") sectors;

3. our business and profitability are substantially dependent on the availability and cost of our raw materials including steel and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials or our inability to fully pass on costs of our raw materials to our customer, may adversely impact our business, results of operations and financial condition;

4. we provide customised products and solutions to our customers and depend on our ability to identify and understand our customers' preferences and requirements;

5. we depend on third parties for the supply of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers;

6. we derive a significant portion of our revenue from operations from manufacturing and sale of automotive components for 2Ws;

7. the sale of our products subjects us to unique risks and heightens certain other risks, such as, dependence on third-party manufacturers;

8. we are dependent on third party transport providers for the delivery of our products;

9. our past performance may not be indicative of our future growth; and

10. we may not be successful in penetrating new export markets which may have an adverse impact on our business, financial condition, results of operations and future prospects.

Summary of contingent liabilities

The details of our contingent liabilities as on March 31, 2024, as derived from the Restated Consolidated Financial Information are set forth below:

(in ₹ million)

Nature of Contingent Liabilities	As on March 31, 2024
Workmen Compensation Act	2.33
CGST Act	35.71
Income Tax Act	11.54
Custom Act	1.08
Bank guarantee *	3.07
Total	**53.73**

**Bank Guarantee has been issued in favour of Metalman Micro Turners.*

See "***Restated Consolidated Financial Information – Note 42 – Contingent liabilities***" on page 390.

Summary of related party transactions

The summary of related party transactions entered into by us for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, as derived from the Restated Consolidated Financial Information are as set out in the table below:

(*The remainder of this page is intentionally left blank*)

(in ₹, except percentage of revenue)

Sr. No.	Name of the Related Party	Nature of relationship	Type of transaction	As at Financial Year ended March 31, 2024	Percentage of revenue from operations	Financial Year ended March 31, 2023	Percentage of revenue from operations	Financial Year ended March 31, 2022	Percentage of revenue from operations
1	Metalman Micro Turners	Associate	Sale of goods	-	0.00%	0.47	0.00%	0.10	0.00%
2	MMT Autocomp	Entities on which Key Managerial Personnel have significant influence	Sale of goods	159.97	1.06%	2.16	0.02%	0.10	0.00%
3	National Industries	Entities on which Key Managerial Personnel have significant influence	Sale of goods	2.41	0.02%	1.90	0.02%	2.23	0.02%
4	Metalman Micro Turners	Associate	Purchase of goods	-	0.00%	0.07	0.00%	0.46	0.00%
5	MMT Autocomp	Entities on which Key Managerial Personnel have significant influence	Purchase of goods	445.03	2.95%	21.62	0.21%	10.93	0.11%
6	National Industries	Entities on which Key Managerial Personnel have significant influence	Purchase of goods	352.61	2.34%	293.80	2.80%	323.73	3.14%
7	MMT Autocomp	Entities on which Key Managerial Personnel have significant influence	Sale of property, plant and equipments	0.42	0.00%	-	-	-	-
8	Avid Ventures	Entities on which Key Managerial Personnel have significant influence	Sale of property, plant and equipments	-	-	-	-	2.89	0.03%
9	National Industries	Entities on which Key Managerial Personnel have significant influence	Sale of property, plant and equipments	-	-	-	-	0.13	0.00%
10	Nishant Jairath	Key Managerial Personnel	Advance received for sale of assets	1.00	0.01%	-	-	-	-
11	National Industries	Entities on which Key Managerial Personnel have significant influence	Services received	-	-	0.02	0.00%	-	-
12	Insightful Systems Private Limited	Entities on which Key Managerial Personnel have significant influence	Services received	2.69	0.02%	0.91	0.01%	-	-
13	Excelleta Tech Private Limited	Entities on which Key Managerial Personnel have significant influence	Services received	2.69	0.02%	-	-	-	-
14	Jade Ventures	Entities on which Key Managerial Personnel have significant influence	Services received	5.38	0.04%	0.65	0.01%	-	-

Sr. No.	Name of the Related Party	Nature of relationship	Type of transaction	As at					
				Financial Year ended March 31, 2024	Percentage of revenue from operations	Financial Year ended March 31, 2023	Percentage of revenue from operations	Financial Year ended March 31, 2022	Percentage of revenue from operations
15	Metalman Micro Turners	Associate	Services given	-	-	12.64	0.12%	1.10	0.01%
16	National Industries	Entities on which Key Managerial Personnel have significant influence	Services given	-	-	-	-	1.42	0.01%
17	National Industries	Entities on which Key Managerial Personnel have significant influence	Purchase of capital goods.	0.88	0.01%	0.22	0.00%	1.05	0.01%
18	Campbell International	Entities on which Key Managerial Personnel have significant influence	Purchase of capital goods.	0.24	0.00%	0.57	0.01%	-	-
19	Insightful Systems Pvt Ltd	Entities on which Key Managerial Personnel have significant influence	Purchase of capital goods.	-	-	0.60	0.01%	-	-
20	National Industries	Entities on which Key Managerial Personnel have significant influence	Rent paid	3.89	0.03%	3.72	0.04%	3.72	0.04%
21	Metalman Micro Turners	Associate	Rent received	-	-	1.19	0.01%	0.35	0.00%
22	Metalman Micro Turners	Associate	Reimbursement of expenses	1.37	0.01%	0.24	0.00%	0.02	0.00%
23	Campbell International	Entities on which Key Managerial Personnel have significant influence	Reimbursement of expenses	0.57	0.00%	1.14	0.01%	1.65	0.02%
24	National Industries	Entities on which Key Managerial Personnel have significant influence	Reimbursement of expenses	12.65	0.08%	8.50	0.08%	7.59	0.07%
25	Avid Ventures	Entities on which Key Managerial Personnel have significant influence	Reimbursement of expenses	10.42	0.07%	8.10	0.08%	3.36	0.03%
26	Jade ventures	Entities on which Key Managerial Personnel have significant influence	Reimbursement of expenses	-	-	0.17	0.00%	0.00	0.00%
27	Metalman charitable trust	Entities on which Key Managerial Personnel have significant influence	CSR donation	2.11	0.01%	-	-	1.00	0.01%
28	Metalman Auto Private Limited Employees Group	Group gratuity trust fund managed by representative of the Company	Contribution towards gratuity plan asset	2.5	0.02%	7.13	0.07%	7.18	0.07%

Sr. No.	Name of the Related Party	Nature of relationship	Type of transaction	As at Financial Year ended March 31, 2024	Percentage of revenue from operations	Financial Year ended March 31, 2023	Percentage of revenue from operations	Financial Year ended March 31, 2022	Percentage of revenue from operations
	Gratuity cum-life Assurance								
29	Navneet Jairath	Key Managerial Personnel	Director remuneration (including reimbursement)	13.90	0.09%	14.00	0.13%	7.04	0.07%
30	Bikramjit Bembi	Key Managerial Personnel	Director remuneration (including reimbursement)	13.92	0.09%	14.06	0.13%	7.10	0.07%
31	Nishant Jairath	Key Managerial Personnel	Director remuneration (including reimbursement)	10.00	0.07%	9.96	0.09%	8.61	0.08%
32	Sachin Bembi	Key Managerial Personnel	Director remuneration (including reimbursement)	9.92	0.07%	13.59	0.13%	8.65	0.08%
33	Anoop Kumar Gwal	Key Managerial Personnel	Director remuneration (including reimbursement)	1.53	0.01%	2.83	0.03%	3.34	0.03%
34	Satish Pandey	Key Managerial Personnel	Director remuneration (including reimbursement)	2.31	0.02%	2.56	0.02%	2.23	0.02%
35	Shrikant Gulabchand Mundada	Key Managerial Personnel	Director remuneration (including reimbursement)	11.69	0.08%	14.13	0.13%	9.05	0.09%
36	Navneet Jairath	Key Managerial Personnel	Loan taken during the year	4.74	0.03%	5.74	0.05%	5.42	0.05%
37	Bikramjit Bembi	Key Managerial Personnel	Loan taken during the year	3.07	0.02%	5.35	0.05%	4.82	0.05%
38	Nishant Jairath	Key Managerial Personnel	Loan taken during the year	-	-	2.17	0.02%	1.79	0.02%
39	Sachin Bembi	Key Managerial Personnel	Loan taken during the year	3.22	0.02%	3.85	0.04%	3.23	0.03%
40	Navita Jairath	Relatives of Key Managerial Personnel Key Managerial Personnel	Loan taken during the year	-	-	0.36	0.00%	0.73	0.01%
41	Gunjan Jairath	Relatives of Key Managerial Personnel	Loan taken during the year	-	-	0.20	0.00%	0.42	0.00%
42	Nisha Jairath	Relatives of Key Managerial Personnel	Loan taken during the year	-	-	0.34	0.00%	1.60	0.02%
43	Nitasha Bembi	Relatives of Key Managerial Personnel	Loan taken during the year	-	-	0.44	0.00%	0.88	0.01%

Sr. No.	Name of the Related Party	Nature of relationship	Type of transaction	As at Financial Year ended March 31, 2024	Percentage of revenue from operations	Financial Year ended March 31, 2023	Percentage of revenue from operations	Financial Year ended March 31, 2022	Percentage of revenue from operations
44	Savita Bembi	Relatives of Key Managerial Personnel	Loan taken during the year	-	-	0.01	0.00%	0.04	0.00%
45	Sonia Bembi Seth	Relatives of Key Managerial Personnel	Loan taken during the year	-	-	0.60	0.01%	2.59	0.03%
46	Navneet Jairath & sons HUF	Key Managerial Personnel	Loan taken during the year	-	-	-	-	0.25	0.00%
47	Bikramjit Bembi & sons HUF	Key Managerial Personnel	Loan taken during the year	-	-	-	-	0.30	0.00%
48	Navneet Jairath	Key Managerial Personnel	Loan repaid during the year	22.13	0.15%	-	-	-	-
49	Bikramjit Bembi	Key Managerial Personnel	Loan repaid during the year	13.08	0.09%	5.00	0.05%	-	-
50	Nishant Jairath	Key Managerial Personnel	Loan repaid during the year	3.65	0.02%	1.50	0.01%	1.01	0.01%
51	Sachin Bembi	Key Managerial Personnel	Loan repaid during the year	7.76	0.05%	7.36	0.07%	2.99	0.03%
52	Gunjan Jairath	Relatives of Key Managerial Personnel	Loan repaid during the year	3.43	0.02%	-	-	0.15	0.00%
53	Navita Jairath	Relatives of Key Managerial Personnel	Loan repaid during the year	6.12	0.04%	-	-	0.15	0.00%
54	Nisha Jairath	Relatives of Key Managerial Personnel	Loan repaid during the year	7.37	0.05%	-	-	0.20	0.00%
55	Nitasha Bembi	Relatives of Key Managerial Personnel Key Managerial Personnel Key Managerial Personnel	Loan repaid during the year	7.50	0.05%	-	-	0.15	0.00%
56	Savita Bembi	Relatives of Key Managerial Personnel	Loan repaid during the year	0.11	0.00%	-	-	0.15	0.00%
57	Sonia Bembi Seth	Relatives of Key Managerial Personnel	Loan repaid during the year	10.20	0.07%	-	-	0.15	0.00%
58	Navneet Jairath & sons HUF	Key Managerial Personnel	Loan repaid during the year	-	-	-	-	3.28	0.03%
59	Bikramjit Bembi & sons HUF	Key Managerial Personnel	Loan repaid during the year	-	-	-	-	3.60	0.03%
60	Reema Chaddha	Relatives of Key Managerial Personnel	Loan repaid during the year	0.70	0.00%	0.01	0.00%	-	-
61	Navneet Jairath	Key Managerial Personnel	Interest expense	1.21	0.01%	0.82	0.01%	0.55	0.01%
62	Bikramjit Bembi	Key Managerial Personnel	Interest expense	0.66	0.00%	0.39	0.00%	0.41	0.00%
63	Nishant Jairath	Key Managerial Personnel	Interest expense	0.23	0.00%	0.19	0.00%	0.14	0.00%

Sr. No.	Name of the Related Party	Nature of relationship	Type of transaction	As at					
				Financial Year ended March 31, 2024	Percentage of revenue from operations	Financial Year ended March 31, 2023	Percentage of revenue from operations	Financial Year ended March 31, 2022	Percentage of revenue from operations
64	Sachin Bembi	Key Managerial Personnel	Interest expense	0.22	0.00%	0.47	0.00%	0.57	0.01%
65	Gunjan Jairath	Relatives of Key Managerial Personnel	Interest expense	0.24	0.00%	0.24	0.00%	0.22	0.00%
66	Navita Jairath	Relatives of Key Managerial Personnel	Interest expense	0.42	0.00%	0.40	0.00%	0.39	0.00%
67	Nisha Jairath	Relatives of Key Managerial Personnel	Interest expense	0.51	0.00%	0.49	0.00%	0.44	0.00%
68	Nitasha Bembi	Relatives of Key Managerial Personnel	Interest expense	0.52	0.00%	0.49	0.00%	0.47	0.00%
69	Savita Bembi	Relatives of Key Managerial Personnel	Interest expense	0.01	0.00%	0.01	0.00%	0.01	0.00%
70	Sonia Bembi Seth	Relatives of Key Managerial Personnel	Interest expense	0.71	0.00%	0.67	0.01%	0.57	0.01%
71	Reema Chaddha	Relatives of Key Managerial Personnel	Interest expense	0.08	0.00%	0.08	0.00%	0.08	0.00%
72	Navneet Jairath & sons HUF	Key Managerial Personnel	Interest expense	-	-	-	-	0.15	0.00%
73	Bikramjit Bembi & sons HUF	Key Managerial Personnel	Interest expense	-	-	-	-	0.16	0.00%
74	Sachin Bembi	Key Managerial Personnel	Guarantee provided against vehicle loan in MMT - Sachin Bembi	4.84	0.00	-	-	-	-

See "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures***" on page 377.

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and 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.

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

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

Name	Face value (in ₹)	Date of acquisition	Number of Equity Shares	Acquisition price per Equity Share (in ₹)*
Promoters (also the Promoter Selling Shareholders)				
Bikramjit Bembi	2	May 14, 2024	10,196,900	-^
Navneet Jairath	2	May 14, 2024	10,196,900	-^
Sachin Bembi	10	September 30, 2021	72,752	Nil**
	2	May 14, 2024	13,765,825	-^
Nishant Jairath	10	September 30, 2021	1,42,752	Nil^^
	2	May 14, 2024	13,765,825	-^
Promoter Group (also the Promoter Group Selling Shareholders)				
Navita Jairath	2	May 14, 2024	3,568,925	-^
Savita Bembi	2	May 14, 2024	3,568,925	-^
Nisha Jairath	2	May 14, 2024	6,458,025	-^
Sonia Bembi Seth	2	May 14, 2024	6,458,025	-^

* *As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.*
^ *Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at no consideration.*
***Transmission due to dissolution of Bikramjit Bembi and Sons HUF. For more details see, "**Capital Structure – Build-up of our Promoters' shareholding in our Company**" on page 100.*
^^ *Transmission due to dissolution of Navneet Jairath and Sons HUF. For more details see, "**Capital Structure – Build-up of our Promoters' shareholding in our Company**" on page 100.*

As on the date of this Draft Red Herring Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Directors on our Board.

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

Weighted average price at which Equity Shares were acquired by our Promoters and members of the Promoter Group, who are also the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus is as set forth below:

S. No.	Name of Promoter/Selling Shareholder	Number of Equity Shares	Weighted average price of acquisition per Equity Share (in ₹)*
Promoters (also the Promoter Selling Shareholders)			
1.	Bikramjit Bembi	10,196,900	Nil^
2.	Navneet Jairath	10,196,900	Nil^
3.	Sachin Bembi	13,765,825	Nil^
4.	Nishant Jairath	13,765,825	Nil^
Promoter Group (also the Promoter Group Selling Shareholders)			
5.	Navita Jairath	3,568,925	Nil^
6.	Savita Bembi	3,568,925	Nil^
7.	Nisha Jairath	6,458,025	Nil^
8.	Sonia Bembi Seth	6,458,025	Nil^

* *As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.*
^ *Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at no consideration.*

Average cost of acquisition for our Promoters and the Selling Shareholders

The average cost of acquisition per equity share acquired by our Promoters (who are also the Selling

Shareholders), as on the date of this Draft Red Herring Prospectus is as set forth below:

S. No.	Name of Promoter/Selling Shareholder	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)[(1)]
Promoters (also the Promoter Selling Shareholders)			
1.	Bikramjit Bembi	12,236,280	0.15
2.	Navneet Jairath	12,236,280	0.16
3.	Sachin Bembi	16,518,990	0.01
4.	Nishant Jairath	16,518,990	0.02
Promoter Group (also the Promoter Group Selling Shareholders)			
5.	Navita Jairath	4,282,710	0.18
6.	Savita Bembi	4,282,710	0.18
7.	Nisha Jairath	7,749,630	1.95
8.	Sonia Bembi Seth	7,749,630	0.01

(1) As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.

See "***Capital Structure - Build-up of our Promoters' shareholding in our Company***" on page 100.

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

The weighted average price for all Equity Shares acquired in one year, eighteen months and three years preceding the date of the Draft Red Herring Prospectus is mentioned below.

Period	Weighted average cost of acquisition (in ₹)*	Cap Price is 'X' times the weighted average cost of acquisition**	Range of acquisition price: lowest price - highest price (in ₹)
Last one year	Nil^	[●]	Nil
Last 18 months	Nil^	[●]	Nil
Last three years	Nil^	[●]	Nil

** As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.*
*** Will be populated in the Prospectus.*
^ Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at no consideration.

Details of Pre-IPO Placement

Not applicable.

Issue of Equity Shares through bonus or for consideration other than cash or pursuant to bonus issue in the last one year

Our Company has not issued any equity shares for consideration other than cash. Except as disclosed in "***Capital Structure – Notes to Capital Structure – Equity share capital history of our Company***" on page 90, our Company has not issued any Equity Shares by way of bonus issue in the one year preceding the date of this Draft Red Herring Prospectus.

Split/consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹ 10 per equity share to 13,595,870 Equity Shares of face value of ₹ 2 per equity share.

See "***Capital Structure – Notes to Capital Structure – Equity share capital history of our Company***" on page 90.

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

Our Company has not applied to the SEBI for exemption from complying with any provisions of securities laws.

SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. You 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. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with "**Industry Overview**", "**Our Business**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**", and "**Management's Discussion and Analysis of Financial Condition and Result of Operations**" on pages 139, 252, 287, 321 and 405, respectively as well as other financial and statistical information contained in this Draft Red Herring Prospectus.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and Metalman Micro Turners on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Metalman Auto Limited on a standalone basis. Metalman Micro Turners, a partnership firm, in which our Company is a partner, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties are not the only risks relevant to us, or the Equity Shares or the industry and the categories in which we currently operate or propose to operate. In addition, the risks set out in this section are not exhaustive, and if any or a combination of any of the following risks actually occur, or if any of the risks that are not currently known or are currently deemed to be not relevant or material now, actually occur or become material in the future, our business, prospects, cash flows, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all, or part of your investment. Furthermore, some events may be material collectively rather than individually and some risks may have an impact which is qualitative in nature but cannot be quantified.

Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. You should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that may be different from that in other countries.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 321. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of market potential for metal and associated components in automotive market" ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated May 21, 2024 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer Further, CRISIL, through their consent letter dated August 10, 2024 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, through their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. For further information, see "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on page 64. Also see "**Certain Conventions, Presentation of Financial, Industry and Market data – Industry and Market Data**" on page 15. The CRISIL Report is available on the website of our Company at www.metalmanauto.com/investors/ until the Bid/Offer Closing Date and has been included as a material document for inspection as disclosed in "**Material Contracts and Documents for Inspection – Material***

__Documents__” on page 521. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer.

Internal risk factors

1. ***We are dependent on our top 10 customers who contributed more than 70% to our revenue from operations, in each of the last three Financial Years. Our single largest customer contributed more than 29% of our revenue from operations in two of the last three Financial Years. Loss of any of these customers or a reduction in demand from any of them could adversely affect our business, results of operations and financial condition.***

During Financial Year 2024, we served 291 customers. The table below sets forth the revenue derived from our top 10 customers (determined based on revenue derived from such customers in Financial Year 2024), as well as our single largest customer for the Financial Years stated:

Particulars*	**Financial Year ended March 31, 2024**		**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Bajaj Auto Limited (“**Bajaj**”)	4,455.54	29.55	2,287.56	21.78	3,046.94	29.56
TVS Motor Company Limited (“**TVS**”)	2,484.86	16.48	3,447.23	32.82	3,125.18	30.32
Hero MotoCorp Limited (“**Hero MotoCorp**”)	1,421.35	9.43	54.96	0.52	0.91	0.01
Equipment (India) Private Limited (“**CNH**”)	1,101.58	7.31	1,199.89	11.42	1,001.19	9.71
Honda Motorcycle & Scooter India Private Limited (“**Honda**”)	362.83	2.41	11.31	0.11	0.01	Negligible
SC Sumiriko Avs Romania SRL (“**SumiRiko**”)	335.69	2.23	300.94	2.87	217.37	2.11
Luminaz Safety Glass Private Limited	300.34	1.99	248.17	2.36	61.01	0.59
Customer 8	221.72	1.47	0.35	Negligible	Nil	Nil
Customer 9	212.10	1.41	0.82	0.01	Nil	Nil
Ather Energy Limited (“**Ather**”)	174.58	1.16	218.12	2.08	50.47	0.49
Total revenue from top ten customers	**11,070.60**	**73.43**	**7,769.35**	**73.97**	**7,503.10**	**72.79**
Revenue from our single largest customer	**4,455.54**	**29.55**	**2,287.56**	**21.78**	**3,046.94**	**29.56**

* *We have disclosed the names of our customers to the extent consent for disclosure of their names was provided to us by such customers.*

We depend and expect to continue to depend on original equipment manufacturers who are our top 10 customers for a substantial portion of our revenue. While we have long-standing relationships with these customers, we typically do not enter into continuing agreements with them and we rely on open purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit and other terms of sales for our products but do not set out firm commitments for fixed quantities of products. The loss of any of our top 10 customers (in particular our largest customer) for any reason (including due to loss of, or failure to renew existing arrangements; limitation to meet any change in quality specification, change in technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could have a material adverse effect on our business, results of operations and financial condition.

Certain purchase orders also permit our customers to unilaterally cancel such purchase orders with or without cause and should such cancellation take place, it may have an adverse impact on our revenue and results of operations. Due to committed delivery schedules at a pre-agreed price, we may not be able to adequately adjust our inventory and raw material costs in the event of an unanticipated change or cancellation in orders from our customers and we may, therefore, in certain events, incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses. There is no assurance that our top 10 customers will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. While our top 10 customers have not terminated their arrangements with us or reduced the demand for our products in the last three Financial Years, any decrease in the demand for our products from our top three customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. See, "***– Our business and profitability are substantially dependent on the availability and cost of our raw materials including steel and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials or our inability to fully pass on costs of our raw materials to our customer, may adversely impact our business, results of operations and financial condition.***"

Certain purchase orders require us to warrant that the products supplied by us are free from defects, further, certain of these purchase orders provide for payment of liquidated damages for delay in delivery, delivery of defective products or breach of the conditions under the purchase orders. We may also be required to indemnify our customers against any losses, claims, liabilities, etc. incurred by such customers as a result of delivery of defective products by us. Our relationships with our customers are therefore dependent to a large extent on our ability to meet customer requirements, including price competitiveness, efficient and timely deliveries and consistent quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from such affected customers.

It is difficult to forecast events which affect the profitability of our customers or the success or sustainability of any strategies undertaken by any of our major customers in response to the current economic or industry environment. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. A sustained decline in the demand for products produced by our original equipment manufacturer ("**OEM**") customers could prompt them to cut their production volumes, directly affecting the demand from OEMs for our products.

We may also absorb discounts and price reductions sought by our customers from time to time in order to remain competitive. The table below sets forth the amount of discounts, rebates, credits offered by us for the Financial Years stated:

Description	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Discount, rebates, credits, etc.	12.45	0.08%	8.13	0.08%	0.02	0.00%

While we have remained profitable in the last three Financial Years despite offering discounts and absorbing costs to the extent not passed on to our customers, if we are unable to generate sufficient revenue to offset production costs and discounts offered in the future, our profitability, margins and return ratios may be materially adversely affected.

2. ***We may not be successful in implementing our growth strategies, particularly increasing our market share in the evolving off-highway vehicle ("OHV") and commercial vehicles ("CV") sectors, which could have an adverse effect on our business, financial condition, cash flows and results of operations.***

Our growth strategy includes strengthening our position in the growing OHV and CV sectors in India, by leveraging our manufacturing capabilities to focus on components for OHVs and CVs deepening, diversifying and expanding our customer base by expanding our product portfolio, leveraging export opportunities, continuing to focus on our design capabilities, pursuing research and development ("**R&D**") to develop innovative systems and solutions and improving our manufacturing efficiencies. See "***Our Business – Strategies – Capitalising on growth in the off-highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix"*** on page 262. The table below sets forth details on the revenue earned by us from sale of products to OHV and CV OEMs, during the periods stated:

Categories	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
OHV	1,623.91	10.77%	1,410.99	13.43%	1,157.41	11.23%
CV	221.72	1.47%	0.35	Negligible	Nil	Nil

There can be no assurance that our efforts and past track record will result in sale of products at a comparable scale in the future, as the market for OHVs and CVs is evolving, and is subject to numerous restraints. For instance, while OHV volumes reached an all-time high in Financial Year 2024, they are expected to witness a slowdown and the growth is projected to normalise in Financial Year 2025. Further, the OHV industry in India is subject to Government spending on infrastructure, economic growth leading to a rise in commercial and residential construction activities, rising urbanization, the mining sector and the rise in production of coal and other minerals. The OHV sector grew 24% in volume terms in Financial Year 2024 driven by growth in the end user industries like roads, railways, and urban infrastructure. The OHV industry to grow at 10 to 12% over the next 5 years with overall sales volumes expected to reach approximately 170-180k by Financial Year 2029. CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3 to 5% between Financial Years 2024 and 2029 aided by healthy industrial growth, focus on infrastructure and higher mining production. (*Source: CRISIL Report*) Our potential profitability and growth is dependent upon the growth of the OHV and PV categories in India which may not occur at the levels we currently anticipate or at all. There is no guarantee of continuing future demand. If the market for OHVs and CVs develops slowly than expected, or if demand for these decreases, there can be no assurance that our past performance will continue at a comparable scale in the future and our business, prospects, financial condition and operating results would be harmed.

We may require additional capital to develop and grow our business OHV and CV categories, including expanding design, research and development, and production. Our ability to remain profitable in the future is dependent on the design, development and marketability of our product portfolio, while also controlling costs to achieve expected margins. If we are unable to efficiently design, develop, market, deploy, and supply our products, our margins, profitability and prospects could be materially and adversely affected. Even if we are successful in developing products for the OHV and CV category, our ability to gain market share in the OHV and CV category is dependent on our OEM customers' ability to successfully develop their products. Demand for OHVs and CVs may be affected by factors directly impacting prices or the cost of purchasing and operating such as sales and financing incentives, prices of raw materials and components, cost of energy and governmental regulations, including tariffs, import regulation and other taxes. We cannot assure you that our new products will be successful, whether because of any inefficiencies on our part or as a result of circumstances beyond our control, such as general economic conditions or competition from existing or new players in these business verticals or otherwise. We may also be required to comply with additional regulations, incur significant costs to establish the specialized infrastructure at some of our manufacturing units and recruit appropriately skilled employees, and face increased competition for such new products and services, which may strain our business and financial condition. Any of these factors may adversely affect our ability to diversify into new offerings, which may have an adverse effect on our business and prospects.

3. ***Our business and profitability are substantially dependent on the availability and cost of key raw materials including steel and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials or our inability to fully pass on costs of our raw materials to our customer, may adversely impact our business, results of operations and financial condition.***

Our cost of material consumed which primarily consists of steel, as well as brought out parts, metal sheets, metal tubes, various types of welding materials and chemicals such as nickel, argon, CO_2 gas and paint constitutes a significant portion of our total expenses.

The table below sets forth details on our cost of material consumed, including as a percentage of our total expense and revenue from operations, during the Financial Years stated:

Particulars	Financial Year ended March 31, 2024			Financial Year ended March 31, 2023			Financial Year ended March 31, 2022		
	Amount (₹ million)	*% of total expenses*	*% of revenue from operations*	*Amount (₹ million)*	*% of total expenses*	*% of revenue from operations*	*Amount (₹ million)*	*% of total expenses*	*% of revenue from operations*
Cost of material consumed	10,868.19	74.01%	72.09%	7,860.49	76.98%	74.83%	7,938.23	79.53%	77.01%

The table below sets forth the cost incurred towards consumption of steel sheets, steel tubes and bought out parts, our key raw material, during the Financial Years stated:

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*
Bought out parts and assorted others	5,597.84	51.51%	4,483.59	57.04%	4,590.39	57.83%
Metal sheets	2,946.26	27.11%	1,961.29	24.95%	2,115.33	26.65%
Metal tubes	1,537.76	14.15%	917.18	11.67%	751.63	9.47%
Mild steel round	49.38	0.45%	25.80	0.33%	24.61	0.31%
Welding material	284.95	2.62%	162.06	2.06%	148.71	1.87%
Chemicals	452.00	4.16%	310.57	3.95%	307.56	3.87%
Total	**10,868.19**	**100.00%**	**7,860.49**	**100.00%**	**7,938.23**	**100.00%**

We do not have continuing agreements for the supply of our key raw materials, and procure our raw materials based on purchase orders, from third parties recommended by our customers, and generally do not have firm commitments from our suppliers for quantity or price under our arrangements with our suppliers. The absence of continuing contracts at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers or we may be required to pay prevailing market prices for such raw materials and inputs. While in case of price fluctuations, we endeavour to re-negotiate our purchase orders with our vendors for price amendment and scheduling, we may not always succeed in passing on the effects of such price fluctuations to our customers. Furthermore, with strict quality requirements specified in certain of our contractual arrangements with customers, the risk of being unable to make alternative arrangements is exacerbated. Also see, "***– We depend on third parties for the supply of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers. Loss of suppliers may have an adverse effect on our business, results of operations and financial condition***" on page 37.

While we import a small portion of our raw materials such as steel and bought out parts (which include springs, latches, bearings and seal rear overhead window, etc.) required for manufacturing our products from suppliers in Belgium, Italy, Germany and the United States of America, we cannot assure you that we would be able to meet most of our requirements solely through domestic suppliers and not be dependent on overseas suppliers, in the future.

The prices for our raw materials can be volatile and depend on commodity prices in the international markets, which in turn depend on changes in global economic conditions, industry cycles, supply-and-demand including other market dynamics. In addition to market fluctuations, our raw material prices can be affected by contractual arrangements and hedging strategies. Furthermore, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, decreased demand for the components that we supply for their products. Ultimately, our success depends on the uninterrupted supply of raw materials to our manufacturing units which is subject to various uncertainties and risks. A failure to maintain a continuous supply of raw materials at stable prices may result in our inability to manufacture and supply products to our customers in accordance with the respective contract and on a timely basis which could have a material and adverse effect on our business, results of operations and financial condition.

4. ***We provide products designed to suit the specific needs of our customers and depend on our ability to identify and understand our customers' preferences and requirements. Any failure to do so or subsequent change in our customers' preferences may adversely affect our cash flow, business and results of operations.***

The success of our business depends to a large extent on our ability to provide products designed to suit the specific needs of our customers by taking into account multiple characteristics such as design, drawings, etc. We dedicate significant time, manpower, financial and other resources towards understanding the requirements of our customers such as design improvements, cost savings, durability, etc. in order to maintain our competitive position.

Any or all of the customisations to our products as requested by our customers may result in changes in product specifications and difficulties in predicting the time to be taken for the development of a new product. Our customers have specific product and quality requirements. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to cancellation of the orders placed by them. Any failure on our part to manufacture our products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customers which could have adverse effect on our reputation, business and our financial condition. Any shortfall in meeting the technical specifications or manufacturing defects can also lead to equipment failure and may result in recall of the whole batch leading to loss of revenues and reputation. While such instances have not resulted in any material and adverse impact on us in the last three Financial Years and the current Financial Year, nor have there been any material instances of product recalls by our Company in the last three Financial Years and the current Financial Year, should such instance take place in the future, it could expose us to significant monetary liability including litigation. Failure to adhere to the specifications set out by our customers may also expose us to warranty or product liability claims. Such warranties may be enforced against us even in cases where the underlying sales contracts have expired. A successful warranty or product liability claims or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition. In addition, prior to placing the orders, there is a review process that is undertaken by certain customers. This may involve inspection of our manufacturing units and equipment, review of the manufacturing processes and raw materials, and inspections and reviews of prototypes of the product. As a result, we are required to incur expenses to maintain our quality assurance systems such as forming a separate team of engineers responsible for quality and assurance in our manufacturing units, and in the manufacturing processes. Additionally, enhancements/refinements are typically complex and are normally elongated over a period of time as they include several phases from conceptualization to development followed by field testing and trials. Further, there is no assurance that we will be able to produce the customised product to the satisfaction of the customer, or at all. The customers may not purchase our products subsequent to it undergoing customization basis their requirements, to the extent earlier anticipated, or at all, and may require us to undertake further research and innovation before purchasing our products. Though we expend considerable resources in understanding product customization requirements, any unanticipated change in customer demand or preference may adversely affect our cash flow, business and results of operations. Furthermore, there is no assurance that our customers may not start using alternative/new materials. While our customers have not discontinued sourcing products from us in the last three Financial Years any decrease in the demand for our products from our customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

5. ***We depend on third parties for the supply of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers. Loss of suppliers may have an adverse effect on our business, results of operations and financial condition.***

We procure our raw materials based on purchase orders from third parties recommended by our customers. Such purchase orders set out the pricing, scheduling and are supplemented by delivery schedules. The table below sets forth the contribution of our top 10 suppliers and our largest supplier (determined based on cost of material consumed attributable to such suppliers in Financial Year 2024) to our cost of raw material consumed for the Financial Years stated:

Particulars	**Financial Year ended March 31, 2024**		**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**	
	Amount (₹ million)	***% of cost of material consumed***	***Amount (₹ million)***	***% of cost of material consumed***	***Amount (₹ million)***	***% of cost of material consumed***
Supplier 1	726.48	6.68%	1,477.87	18.80%	1,518.93	19.13%
Supplier 2	541.05	4.98%	591.13	7.52%	607.80	7.66%
Supplier 3	527.66	4.86%	455.46	5.79%	303.40	3.82%
Supplier 4	444.73	4.09%	19.51	0.25%	10.91	0.14%
Supplier 5	391.83	3.61%	0.00	0.00%	0.00	0.00%

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*
Supplier 6	352.61	3.24%	293.80	3.74%	323.73	4.08%
Supplier 7	306.34	2.82%	295.29	3.76%	366.19	4.61%
Supplier 8	306.11	2.82%	90.93	1.16%	116.11	1.46%
Supplier 9	269.04	2.48%	107.99	1.37%	116.21	1.46%
Supplier 10	259.93	2.39%	153.95	1.96%	164.80	2.08%
Top 10 suppliers	**4,125.78**	**37.96%**	**3,192.11**	**40.61%**	**3,204.36**	**40.37%**
Our largest supplier	**726.48**	**6.68%**	**1,477.87**	**18.80%**	**1,518.93**	**19.13%**

We do not have long-term or continuing contractual arrangements with such suppliers and do not generally have firm commitments for the supply of raw materials and rely on purchase orders and delivery schedules for the procurement of raw materials. Discontinuation of production by our suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality of raw materials could hamper our manufacturing schedule and therefore affect our business and results of operations.

As we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials at competitive rates and within a reasonable timeframe. Furthermore, our purchase orders typically do not contain any provision for indemnification against any losses suffered by us. Loss of any one or more of our suppliers may adversely impact our production and eventually our business, results of operations, financial condition and cash flows. Furthermore, with strict quality requirements specified in contractual arrangements with customers, the risk of being unable to make alternative arrangements is exacerbated. While our suppliers have not terminated their arrangements with us at short notice in the last three Financial Years, we may be unable to source such commodities from alternative suppliers on similar commercial terms, in the event our suppliers terminate their engagements with us in the future.

There can be no assurance that limitations in product capacity or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. A failure to maintain a continuous supply of raw materials may result in our inability to manufacture and supply products to our customers on a timely basis and in accordance with the respective contracts, which could have a material and adverse effect on our business, results of operations and financial condition. See also "– ***Our business and profitability are substantially dependent on the availability and cost of key raw materials including steel and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials or our inability to fully pass on costs of our raw materials to our customer, may adversely impact our business, results of operations and financial condition***" on page 35.

6. ***We derive a significant portion of our revenue from operations from manufacturing and sale of automotive components for two wheeler ("2Ws") original equipment manufacturers ("OEMs"). Any inability to diversify our product offerings may have an adverse impact on our business and operations.***

Our business has been and continues to be concentrated on providing products to 2Ws OEMs (including internal combustion engine 2W and electric vehicle 2W) and is therefore heavily dependent on the performance of the 2W automotive sector in India. The table below sets forth the contribution from the 2W automotive sector to our total revenue from operations for the Financial Years stated:

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
2W – ICE	7,842.46	52.02%	4,980.09	47.41%	5,993.54	58.15%
2W – EV	694.90	4.61%	865.20	8.24%	82.47	0.80%
2W	8,537.36	56.63%	5,845.30	55.65%	6,076.01	58.95%

The performance of the Indian 2W industry is dependent on numerous social and economic factors, including demographic trends and preferences, income levels, affordability of 2W vehicle customers, changes in government policies, overall economic conditions as well as availability of finance and interest rates. Certain factors, such as general macroeconomic and consumer trends, have direct impact on demand for 2W vehicles. (*Source: CRISIL Report*) We cannot provide assurance that we will continue to have consistent levels of demand for these products in the future. Any reduction in demand for automotive components for 2Ws on account of competitor offerings which are cheaper, may have an adverse impact on our operations and cash flows.

There can be no assurance that we will not be affected by any significant events impacting the 2W automotive sector in India in the future. As the 2W category is subject to changes in regulatory or industry requirements, or in competitive technologies, our ability to continue to generate consistent volume of business from the 2W category also depends on our ability to develop and introduce new products in a timely manner. However, there can be no assurance that we will be able to secure the necessary technological knowledge or capabilities which will allow us to expand our product portfolio in a timely manner or at all, or that any products we develop and introduce will achieve market acceptance as anticipated.

While we have not had to discontinue a product on account of regulatory and industry changes in the past, we may be unable to anticipate changes in technology and regulatory standards in the 2W category in the future. As a result, we may not be able to successfully develop, engineer, and bring to market new and innovative and/or improved products, or respond to evolving business models (including EV advances). Any failure to successfully develop, launch and market new products and a deterioration of the 2W automotive sector as a whole could adversely affect our business and results of operations.

7. ***The sale of our products subjects us to unique risks and heightens certain other risks, such as, dependence on third-party manufacturers.***

We also outsource the manufacturing of our products to third-party manufacturers in India. As of March 31, 2024, we had ongoing arrangements with over 400 third-party manufacturers for bought out parts.

The table below sets forth the revenue and the percentage of revenue that comes from manufacturing products from third party manufacturers

Description	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Bought out parts manufactured by third-party manufacturers	5,597.84	37.13%	4,483.59	42.68%	4,590.39	44.53%

Although, under our agreements with such third-party manufacturers, we can reject and return defective components or parts manufactured by them, there are no clauses under such contracts that require third-party manufacturers to indemnify us against costs, losses or damages arising out of the use of their components or parts or for breach of obligations by them.Further, sale of our products, among others, subjects us to unique risks and heightens certain other risks, including:

- dependency on relationships with the third-party manufacturers whom we engage to manufacture our home brand products;
- delay in delivery;
- dependency on third party manufacturers and suppliers for certain products and raw materials;
- dependency and risk of potential deterioration in the relationships with our existing manufacturers;
- liability for accidents and other incidents, including injuries to employees of third-party manufacturers' at manufacturing sites that we do not control; and
- potential product liability for any production defects.

We may be unable to replace such third-party manufacturers at short notice, or at all, and may face delays in production and added costs as a result of the time required to train new contract manufacturers to undertake manufacturing in accordance with our standard processes and quality control standards.

We may also be unable to control the costs of production of such third-party manufacturers, which may increase in the future, including due to increase in the cost of labor and other utilities. Our inability to obtain sufficient quantities or desired quality of products from third-party manufacturers in a timely manner or at acceptable prices may adversely affect our business, financial condition and results of operations.

We do not contractually require all such third-party manufacturers to manufacture products exclusively for us and accordingly, some of them may choose to manufacture products for other parties at any time. In addition, from time to time we may have disputes with such third-party manufacturers about their compliance with our quality control or other policies, which may cause them to cease doing business with us. While we have not experienced any such material instances in the past, we may experience significant relationship attrition with manufacturers.

If any such risks effectuate, our business, results of operations, financial condition and cash flows could be adversely affected.

8. ***We are dependent on third-party transport providers for the delivery of our products. Changes in our relationships with such entities, or adverse conditions that affect such entities could have an adverse effect on our business, results of operations, financial condition, cash flows, and reputation.***

We have engaged with third party transport providers for the delivery of our products to our domestic customers. Our ability to make our products available to our customers depends on logistic partners, such as, freight forwarders and other such third-parties. The table below sets forth our expense towards logistics:

Description	**Financial Year ended March 31, 2024**		**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**	
	Amount (₹ million)	***% of total expense***	***Amount (₹ million)***	***% of total expense***	***Amount (₹ million)***	***% of total expense***
Freight and carriage	152.32	1.01%	125.85	1.23%	119.88	1.20%

We typically do not enter into continuing agreements with such third-party transport providers and we rely on service orders issued by us from time to time. We have limited control over such entities and are dependent upon the efforts of such entities to deliver our products to our customers. As we do not control our third-party freight and transport providers, we could be subject to transportation strikes that could hamper supplies and deliveries to and from our customers and suppliers. Furthermore, one or more of those entities could cease operations abruptly, fail or refuse to work with us or begin working for a competitor, fail to meet certain minimum performance clauses, become insolvent, or our relationships with such entities may otherwise change adversely, or we may experience high attrition rates with such entities. Any significant disruption in our distribution network could have an adverse effect on our business and reputation. Our arrangements with such freight forwarders do not require such freight forwarders to indemnify us against costs, losses or damages, suffered by us or any third party, arising out of delay in delivery or for breach of obligations by them. Any recompense received from insurers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. Furthermore, we might not be able to secure a suitable replacement for such entities or service a specific region. In addition, to the extent these entities violate laws, other regulatory requirements or their contractual and performance obligations, or act inappropriately in the conduct of their business, our business, results of operations, financial condition, cash flows, and reputation could be negatively affected.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transport providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. While we have not experienced any instances of failure to meet our customer's delivery schedules in the past due to any fault of our third party transport providers, there is no assurance on the reliability of delivery by our contractors, and any failure in meeting our customer's delivery schedules can impact our relationship with customers and may result in cancellation of existing or future orders which may have an adverse impact on our operations.

9. ***Our past performance may not be indicative of our future growth. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

We have experienced growth over the past three Financial Years. Our revenue from operations has grown at a CAGR of 20.94% from ₹10,307.58 million in Financial Year 2022 to ₹15,075.97 million in Financial Year 2024. During the Financial Year 2023, we increased our stake in Metalman Micro Turners that has contributed to growth in revenue from operations in Financial Year 2023 and Financial Year 2024. The table below sets forth provides the details of our revenue from operations as at and for the years ended March 31, 2024, March 31, 2023, and March 31, 2022:

(in ₹ million)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Revenue from operations	15,075.97	10,503.91	10,307.58

For information relating to our capacity utilization of our manufacturing units, see "***Our Business – Capacity and Capacity Utilization***" on page 276.

Sustaining our growth will require investments including in assets and will also put pressure on our ability to effectively manage and control historical and emerging risks. There can be no assurance that our growth strategy will be successful or that we will be able to continue to maintain and expand our production levels at the same rate. Any expansion in the size of our business and the scope and complexity of our operations could strain our internal control framework and processes, which may result in delays, increased costs and lower quality products. We may be unable to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all.

10. ***We may not be successful in penetrating new export markets which may have an adverse impact on our business, financial condition, results of operations and future prospects.***

We intend to enter new markets by leveraging our existing relationships with customers outside India. Our export customers include BMW, CNH, Michelin, and SumiRiko. Further, we are focused on increasing our export revenues by expansion into the OHV and CV category and simultaneously increase our global presence across our existing portfolio of 2W and 3W categories. See "***Our Business – Strategies – Expansion of geographical footprint, including in overseas markets, primarily in the United States of America and Europe".*** Our revenue from operations from exports, has grown at a CAGR of 24.09% from ₹411.73 million in Financial Year 2022 to ₹633.98 million in Financial Year 2024.

We face various challenges in our expansion into new export markets, including the lack of familiarity with the economic conditions of these new markets, lack of brand recognition and reputation in the new markets. 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. By expanding into new geographical regions, we could be subject to additional risks associated with compliance with a wide range of laws, regulations and practices, exposure to risks of expropriation or other government actions and political, economic and social instability. There can be no assurance that our products will gain market acceptance or meet the particular requirements of customers in these new markets and regions. In the event we are unable to successfully expand into new geographical regions, our growth plans and future performance may be adversely affected.

11. ***We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Punjab and Chandigarh at Chandigarh ("RoC Chandigarh"), Registrar of Companies, Madhya Pradesh at Gwalior ("RoC Gwalior") and the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC").***

Certain of our Company's corporate records are not traceable. These records include: returns of allotment (form 2) for the allotment of equity shares on May 16, 1986, September 10, 1987, December 30, 1989, April 3, 1990, April 9, 1990 and January 1, 1992 and (ii) forms 32 for appointment of Bikramjit Bembi and Navneet Jairath as Directors at the time of incorporation of our Company ("**Corporate Records**"). For details see, "***Capital Structure – Notes to Capital Structure – Equity share capital history of our Company***" on page 90. We have included these details in this Draft Red Herring Prospectus in reliance on the other corporate records, such as, board resolutions and annual returns where available, and the search report dated July 12, 2024 prepared by SPG and Associates (Membership number: 7776), pursuant to their inspection and independent verification of the documents available/maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC Chandigarh, the RoC Gwalior and the RoC. We have pursuant to our letters, each dated July 12, 2024 have informed the RoC Chandigarh, the RoC Gwalior and the RoC that we are unable to trace the Corporate Records.

Further, we are unable to trace (i) the order of the Company Law Board, Northern Region, New Delhi, Delhi dated March 11, 1991 in relation to change in our registered office from Punjab to Madhya Pradesh and (ii) transfer forms in relation to secondary transfers of the equity shares of our Company undertaken on April 23, 1990, September 26, 1996 and October 1, 2001. Additionally, in relation to secondary transfers of equity shares pursuant to gift on March 20, 2021, April 1, 2021 and June 21, 2021, the gift deeds have not been adequately stamped. We have included these details in this Draft Red Herring Prospectus in reliance on the other corporate records, such as, board resolutions. For details in relation to the changes in our registered office see, "***History and Certain Corporate Matters – Brief history of our Company***" and "***History and Certain Corporate Matters – Changes in the registered office of our Company***" both on page 292.

We cannot assure you that the relevant corporate records will become available in the future, or 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 respect.

12. ***We are dependent on our technology infrastructure, including in particular robots/automation, internet of things and artificial intelligence ("AI")/machine learning ("ML") for our manufacturing operations. Failure or disruption of our automated systems may adversely affect our business, financial condition, results of operations and prospects.***

Our manufacturing processes are majorly automated and do not require human intervention during the production phase. We have automated our manufacturing process through use of robots, AI/ML and leverage the data collected for the purpose of enhancing precision, efficiency, and scalability in our production operations. We utilize in-house developed SCADA systems and BI modules for real-time monitoring of the manufacturing process and controlling of our manufacturing efficiency. We also incorporate in-house developed and patented IoT-driven data-collection features in our production processes, which enable us to gain real-time insights into production flow and downtime, time and cost analysis of manufacturing, inefficiencies in usage of labour and resources, product quality, auto-generate reports and leverage such data analytics to implement auto-correction and auto-feedback measures, with minimal human intervention, thereby contributing towards our ability to maintain costs and consistency in quality.

We rely on these automated systems for the ensuring the quality of production and efficiencies in our manufacturing process. Our automated systems are potentially vulnerable to damage or disruptions from a variety of sources, including any internal technical hazards, malfunctioning of our calibrated machinery and certain external factors such as natural disasters, power outages and cyber-attacks, which could result in a material adverse effect on our operations or lead to improper production of our products which are designed to specific needs of our customers. Further, our AI/ML based processes may not provide expected results due to any malfunction or bugs in our AI models or may also even result in development of rogue AI systems. While there have been no instances of any such disruption in the past, we cannot guarantee that we will not be impacted by a disruption to our automated manufacturing processes in the future. A significant or large-scale malfunction or interruption of one or more parts of our automated manufacturing processes could adversely affect our ability to keep our operations running efficiently and affect our production schedules.

Further, we are required to continually invest in automation and AI/ML technology in order to maintain and enhance our efficiency from a process as well as a cost perspective, in order to better service our customers' evolving needs. We propose to invest in our technological capabilities, including in particular our automation levels, including by acquiring and deploying specialized robots for automated welding of components with higher thickness at certain of our manufacturing units, and transitioning to completely automated welding of driver cabins. See "***Our Business – Our Strategies - Improve efficiency by investing in technology, including for alternative materials and upskilling***" on page 264. There is no assurance that our investments in automation and AI/ML technology will be successful or generate the requisite level of efficiency or value addition through data insights. If our investments and initiatives towards enhancement of automation and AI/ML applications in our manufacturing process fail to deliver the intended results, our financial performance may be adversely affected.

13. ***We are dependent on our manufacturing units and any disruption, slowdown or shutdown of our manufacturing units may restrict our operations and adversely affect our business and financial condition.***

Our business is supported by our manufacturing capabilities, comprising operate nine manufacturing units in Madhya Pradesh, Haryana, Tamil Nadu, Uttarakhand and Maharashtra. For further details on our manufacturing units, see "***Our Business – Manufacturing units***" on page 272.

Our business is dependent upon our ability to manage our manufacturing units, which are subject to operating risks such as breakdown and/or failure of equipment, disruption in electrical power or water resources, fire and industrial accidents. In particular, there is a risk of accidents due to the use and storage of hazardous or flammable materials in our manufacturing units including, paints, thinners, fuels and chemicals. While there have been no instances in the past, any significant malfunction or breakdown of our plant and machinery, including in particular our technology infrastructure and any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations may severely affect our ability to meet our customers' demand which may lead to loss of any of our customers or a significant reduction in demand from such customers. If we are unable to repair our Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them and there can be no assurance that the new Manufacturing Assets will be procured and/or integrated in a timely manner. In addition, we carry out planned annuals shutdowns of our manufacturing units for maintenance. Further, we may be required to carry out planned shutdowns of our manufacturing units for statutory inspections, customer audits and testing, or we may shut down one or more of our manufacturing units for capacity expansion and equipment upgrades. Set out below are our expenses incurred towards repairs to plant and machinery and other repairs incurred towards our manufacturing operations during the last three Financial Years:

Particulars	**Financial Year ended March 31, 2024**		**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Repairs to plant and machinery	124.98	0.83%	58.30	0.56%	71.14	0.69%
Other repairs	41.25	0.27%	40.29	0.38%	40.09	0.39%

In addition, we have set-up our manufacturing units in close proximity to our customers' facilities to minimize both our customers' and our own costs. As a result, these facilities predominantly cater to the requirements of their proximate customers and any disruption or shutdown at such facilities could impact our ability to continue to serve such customers on a timely manner and at historical rates. Also see "***– Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***".

14. ***We do not own the land on which some of our office premises and manufacturing units are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***

Some of our business operations are being conducted on premises leased from third parties. The tenure of the leases is generally agreed in the relevant lease agreements and is typically for a fixed period of 3 to 99 years. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our operations. See "***Our Business – Property***" on page 285.

For risk in relation to manufacturing units leased to us by industrial development corporations please see, "***– Majority of our manufacturing units are located within industrial development corporation premises. If we are unable to comply with conditions of use of such land or otherwise renew existing leases for such manufacturing units, we may have to relocate our operations which may have an adverse impact on our business, financial condition and operations.***" on page 45.

Our lease expenses for Financial Years 2024, 2023 and 2022 are set out below:

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Total cash outflow for lease	19.95	0.13%	17.80	0.17%	16.96	0.16%

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices, manufacturing units. We cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing units during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

15. We intend to utilize ₹ 250.00 million of the Net Proceeds for part-financing the capital expenditure towards procurement of plant and machinery at the Pithampur Manufacturing Unit 2. We have relied on the quotations received from third parties in estimating such capital expenditure and are yet to place orders for such quotations.

We intend to use the Net Proceeds of the Offer for the purposes described in the section titled "***Objects of the Offer***" on page 107. The objects of the Offer comprise (i) part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2, (ii) repayment/pre-payment, in part or full of certain borrowings of our Company and Metalman Micro Turners and (iii) general corporate purposes. For details, see "***Objects of the Offer – Objects of the Fresh Issue***" on page 107. Our Company proposes to utilize an amount of ₹ 250.00 million from the Net Proceeds towards funding the capital expenditure towards procurement and installation of plant and machinery to set up additional automated manufacturing processes. While we have procured quotations from vendors in relation to the capital expenditure to be incurred, as on the date of this Draft Red Herring Prospectus, orders for purchase of the plant and machinery are yet to be placed.

We have not entered into any definitive agreements to utilize the Net Proceeds for the procurement of plant and machinery at the Pithampur Manufacturing Unit 2 and have relied on the quotations received from third-parties to estimate the cost. Most of these quotations are valid for a certain period of time and other commercial and technical factors. Some of these quotations may also be subject to changes or revisions. 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. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the plant and machinery or in the event the vendor is not able to provide the plant and machinery in a timely manner, or at all, we may encounter time and cost overruns. Further, if we are unable to procure the requisite plant and machinery from the vendors from whom we have procured the quotation, we cannot assure you that we may be able to identify alternate vendor to provide us with the materials which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

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

Our business is supported by our manufacturing capabilities, comprising nine manufacturing units in Madhya Pradesh, Haryana, Tamil Nadu, Uttarakhand and Maharashtra. For further details on our manufacturing units, see "***Our Business – Manufacturing units***" on page 272.

Our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. For information relating to our capacity utilization of our manufacturing units, see "***Our Business – Capacity***

and Capacity Utilization" on page 276. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face any prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing units, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

In addition, we have set-up our facilities in close proximity to our customers in order to minimize both our customers' and our own logistics costs. If our customers relocate their manufacturing activities/ capacities and choose to avail of alternate suppliers, and we are unable to source new orders for production at such facility, we may experience losses due to the idle capacity on account of the high fixed production costs. Alternatively, we may incur losses on account of additional logistics costs if our customers require delivery of our products to new locations which are not in close proximity to our existing facility.

In addition to our nine operational facilities, we are planning expansion of our existing facility, Pithampur Manufacturing Unit 2. For details see, "***Objects of the Offer – Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2***" on page 109. The success of any capacity addition and expected return on investment on capital expenditure is subject to, among other factors, the ability to generate adequate customer demand to ensure maximum utilisation of the capacity addition. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently and our capacity additions may be under-utilised thereby adversely impacting our revenue and profitability. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

17. ***Majority of our manufacturing units are located within industrial development corporation premises. If we are unable to comply with conditions of use of such land or otherwise renew existing leases for such manufacturing units, we may have to relocate our operations which may have an adverse impact on our business, financial condition and operations.***

As of March 31, 2024, we operate nine manufacturing units across five states in India, of which seven manufacturing units are located on land which have been leased from Industrial Development Corporations ("**IDCs**").

Under the terms of the allotment by IDCs to us, we are required to comply with various conditions. In the event we fail to comply with the terms and conditions under certain of the agreements, the IDC reserves the right to re-enter, cancel the allotment and dispossess us. If the letter of allotments/lease deeds with the IDCs are terminated, we would need to relocate our operations from that land to a different location, which would disrupt our operations and involve additional costs and which could have an adverse effect on our business, financial condition, results of operations and cash flows.

18. ***We failed to comply with certain provisions of Companies Act, 2013 and Foreign Exchange Management Act, 1999, and had to compound such non-compliances. We cannot assure you that there will be no such non-compliances in the future and that our Company or our Directors will not be subject to any penalty or any additional payments.***

Our Company, *inter alia,* (i) borrowed funds to the tune of ₹ 19.67 million in October 2013 and November 2013 from Arjun Vedhara, a person resident outside India, without issuance of non-convertible debentures, preference shares or convertible debentures in contravention of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 and (ii) issued 60,000 equity shares valued at ₹ 15 million to Nisha Jairath, a person resident outside India, in October 2014 out of the funds received from Arjun Vedhara without filing form-FCGPR with the Reserve Bank of India in contravention of Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), 2000 read with Foreign Exchange Management Act, 1999. The Deputy Director, the Office of the Adjudicating (Joint Director), Directorate of Enforcement (Foreign Exchange Management Act and Prevention of Money Laundering Act), Government of India pursuant to an order dated May 29, 2023 imposed a penalty of ₹ 835,000 on our Company and ₹ 50,000 each on our Promoters and Directors, Bikramjit Bembi, Nishant Jairath, Sachin Bembi and Navneet Jairath. Our Company and Promoters paid the aforementioned penalty on June 14, 2023.

Our Company undertook excess sale and purchase transactions with M/s National Industries for the year 2003-2004 and 2004-2005 without taking the prior approval of the Central Government in violation of section 297 of the Companies Act, 1956. Our Company along with M/s National Industries applied to the Company Law Board, Northen Region Bench, New Delhi for compounding of such offence. The Company Law Board, Northen Region Bench, New Delhi pursuant to an order dated April 22, 2004 compounded the offense subject to the payment of ₹5,000 by our Company and ₹500 by M/s National Industries.

We cannot assure you that there will be no such non-compliances in the future and that our Company, Metalman Micro Turners, our Promoters or Directors will not be subject to any penalty or any additional payments.

19. We are dependent on contract labour and any disruption to the supply of such labour for our manufacturing units or our inability to control the composition and cost of our contract labour could adversely affect our operations.

Our workforce includes personnel that we engage through independent contractors. The table below sets forth details of our contract labour as of the dates indicated:

Particulars	During the month of		
	March 31, 2024	March 31, 2023	March 31, 2022
Number of contract labour	3,981	3,416	2,003

We incur certain contract labour charges for engaging workforce through independent contractors. The table below sets forth the labour charges for the Financial Years stated:

Particulars	As of/ for the Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount (₹ million) (unless otherwise stated)	*% of total revenue from operations*	*Amount (₹ million) (unless otherwise stated)*	*% of total revenue from operations*	*Amount (₹ million) (unless otherwise stated)*	*% of total revenue from operations*
Labour charges	1,017.16	6.75%	504.03	4.80%	436.12	4.23%

Although we do not engage these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations.

If we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates it may adversely affect our business and results of operations. In addition, our manufacturing process is dependent on technology-driven production systems and any inability of the contract labourers to familiarize themselves with such technology could adversely affect our business and results of operations.

20. We may be subject to industrial unrest, slowdowns and increased employee costs, which may adversely affect our business and results of operations.

As of June 30, 2024, our workforce comprised 1,238 employees. Additionally, during the Financial Year 2024, we utilised the services of 3,981 contract labour. Our employee benefits expense comprising payments made to all the personnel on our payroll and engaged in our operations (apart from contract labour), for the Financial Years 2024, 2023 and 2022 is stated below:

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Employee benefits expense	794.27	5.27%	541.90	5.16%	495.77	4.81%

While we have had instances of delayed payments of statutory dues in the past, it has not resulted in work stoppages or strikes. See "– ***There have been certain instances of delays in payment of statutory dues by our Company. Any further delays in payment of statutory dues may attract financial penalties and may adversely affect our business, financial condition and results of operations.***" on page 49.

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, including, Bhartiya Kamgar Sena, labour union involving our employees at manufacturing units in Aurangabad, Maharashtra. Strikes or work stoppages by our workforce at our manufacturing units could halt our production activities and disrupt our distribution channels which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. While there have been no disruptions to our manufacturing operations in the last three Financial Years on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business and financial condition.

21. ***Information relating to our operational capacities and the historical capacity utilization of our manufacturing units included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.***

Information relating to our operational capacities and the historical capacity utilization of our manufacturing units included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including past production mix, installed capacity information and standard capacity calculation practices, that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Financial Year/period. These details have been certificated by way of certificates from Sapient Services Private Limited, independent chartered engineer. Actual utilization rates may differ from the estimated operational capacities or historical estimated capacity utilization information of our facilities. For details, see "***Our Business – Capacity and Capacity Utilization***" on page 276.

22. ***Our inability to maintain appropriate levels of inventory to meet the demands of our customers may have an adverse effect on our results of operations and financial condition.***

We need to maintain sufficient inventory levels to meet customer expectations at all times. The table below sets forth our inventory as of the dates stated:

Particulars	As of/ for the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Inventories (₹ million)	1,055.43	950.77	743.37
Inventory Days[(1)]	26	33	26

Notes:
[(1)]Inventory days are calculated as inventory as on March 31 of a Financial Year x 365/ revenue from operations during such Financial Year.

Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. For further details, see "***Management's Discussion and Analysis Of Financial Condition And Results Of Operations – Our customers, terms of our arrangements, their purchasing patterns and pricing of our products***" on page 411 Our inability to forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. While we have not experienced a significant mismatch in the past, there can be no assurance that such instances in the future will not have a material adverse effect on our liquidity, profitability and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increase in customer demand for our products, which in turn would require a significant amount of working capital. Continued increases in our working capital requirements may have an adverse effect on our results of operations and financial condition. For further details, see "***– We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***"

23. ***We have significant power, fuel and water requirements and any disruption to the supply of power, fuel or water could disrupt our manufacturing operations and increase our production costs, which could adversely affect our results of operations.***

We require substantial power, water and fuel to operate our manufacturing units, and energy costs represent a key component of the production costs for our operations. If energy costs were to continue to rise, or if electricity, fuel or water supplies or supply arrangements were disrupted, our manufacturing operations could be disrupted and our profitability could decline. The table below sets forth our power, fuel and water costs for the Financial Years stated:

Particulars	**Financial Year ended March 31, 2024**		**Financial Year ended March 31, 2023**		**Financial Year ended March 31, 2022**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Power and fuel	414.23	2.75%	243.92	2.32%	210.40	2.04%

We source our electricity requirement from electricity department of the state governments; or from power distribution companies and have entered into long-term power purchase agreements, typically for a term of 20 years from the commissioning of the solar plant. In the event of a supply disruption, we rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers. Furthermore, if our generators are unable to support our operations, we may need to shut down our facilities until adequate supply of electricity is restored. We are also subject to potentially significant inflationary pressures on fuel costs and if fuel costs continue to rise and if we are unable to pass on these increased costs to our customers, our profitability could decline. We are additionally subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted.

Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our results of operation and financial condition. While we have not in the past experienced any interruptions to our power, fuel or water supplies, there is no guarantee that interruptions would not occur due to any events unforeseen by us.

24. ***We derive a significant portion of our revenue from operations from India.***

We are heavily focused on the domestic Indian market, and have historically derived a substantial portion of our revenue from India. The following table sets forth our revenue from operations in India, including as a percentage of our revenue from operations:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
India	14,441.99	95.79%	9,850.40	93.78%	9,895.85	96.01%

As a result, our total revenue from operations is dependent on prevailing political, economic and regulatory conditions in India. Further, our revenues from India may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products. See also "– ***Political, economic or other factors including but not limited to any changes in laws, rules and regulations and legal uncertainties that are beyond our control may have an adverse impact on our business, results of operations, financial condition and cash flows***." on page 66.

25. The cyclical nature of businesses can adversely affect our business.

The cyclical nature of businesses, in particular, the Indian CV, PV and 2W industries, can adversely affect our business. The 2W and PV industry has close linkages with growth in GDP as well as business cycles impacting incomes of probable customers. Similarly, the demand for CVs and OHVs is closely tied to economic growth. During periods of robust economic expansion, there is an increase in industrial output, infrastructure projects, and logistics activities, driving higher demand for CVs and OHVs. Conversely, during economic slowdowns, demand plummets as businesses reduce capital expenditures and transportation needs decline. (*Source: CRISIL Report*) As we have high fixed production costs, even relatively modest declines in our customers' production levels and thus, our production volumes, can have a significant adverse impact on our profitability. Our sales are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. Any sudden request from our customers to increase their order volumes, could cause lead time problems resulting in a loss of revenue for our customers if we are unable to meet their demands. As a result, our relationship with our customers may be impacted, affecting our sales adversely, resulting in a loss of revenue and reduced margins.

26. There have been certain instances of delays in payment of statutory dues by our Company. Any further delays in payment of statutory dues may attract financial penalties and may adversely affect our business, financial condition and results of operations.

Our Company is required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and professional taxes. The table below sets forth the details of the statutory dues paid by our Company in relation to its employees for the periods indicated below:

Particulars	**For the year ended March 31,**		
	2024	**2023**	**2022**
		(₹ in millions)	
Employee provident fund	65.01	48.35	45.05
Employees State Insurance	5.25	4.57	4.72
Labour welfare fund	0.06	0.21	0.08
Professional tax	1.61	1.46	1.81
Gratuity	20.36	10.46	9.72
Tax deducted at source on Salary	51.39	25.12	18.39

Number of employees of our Company

Particulars	**For the year ended March 31,**		
	2024	**2023**	**2022**
Total employees	1,218	1,175	875

Further, the table below sets out details of the delays in statutory dues payable by our Company in relation to our employees:

Authority	**No. of employees**	**Amount of delay (in ₹ million)**	**Due date**	**Actual date of payment**	**No. of days of delay**
Professional tax	248	0.28	April 1, 2024	April 15, 2024	14
Labour Welfare Fund	130	0.02	January 15, 2024	January 18, 2024	3
Employee Provident Fund	465	2.12	November 15, 2023	November 20, 2021	5
Employees' State Insurance Corporation	116	0.10	November 15, 2023	November 20, 2021	5
Professional tax	318	0.06	October 1, 2023	October 30, 2023	29

Authority	No. of employees	Amount of delay (in ₹ million)	Due date	Actual date of payment	No. of days of delay
Labour Welfare Fund	103	0.01	July 15, 2023	July 19, 2023	4
Tax deducted at source	16	0.96	May 7, 2023	May 8, 2023	1

These delays were primarily due to technical issues and administrative errors, amongst others. While we were required to pay fines and penalties in respect of such delays, any future delays in payments of statutory dues could attract financial penalties from government authorities, which could adversely affect our reputation, business and financial condition.

27. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we continue to seek to add new and upgrade our existing manufacturing units; increase our product portfolio; and invest in the research and development of new technologies and products, among others. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and term loans and have used and expect to use primarily towards additions to property, plant and equipment. Our capital expenditure which represents property, plant and equipment. The table below sets forth our capital expenditure for Financial Years 2024, 2023 and 2022:

(*In ₹ million*)

Particulars	For Financial Year ended		
	March 31, 2024	As of March 31, 2023	As of March 31, 2022
Addition to property, plant and equipment	798.20	263.58	303.80

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, delay in obtaining regulatory approvals, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the automotive components industry. In addition, as our customers may, from time to time, relocate their manufacturing activities/ capacities, we may be required to shift our capacities to a different facility or transport products from our existing facility to the customers' new location, both of which involve capital expenditure to be incurred by us. Also see, "*–**Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance***."

Furthermore, we require a significant amount of working capital to maintain optimum inventory levels of raw materials, work-in-progress and finished goods as well as to offer credit to our customers, and fulfil our payment obligations towards our suppliers. The table below sets forth our working capital as of the dates stated:

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Working capital (In ₹ million) (1)	1,457.52	1,184.80	971.26
Working capital (in number of days) (2)	35	41	34

Notes:
(1) Working capital has been calculated as inventories plus trade receivables less trade payable.
(2) Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.

Our working capital requirements may increase if payment terms in our agreements lead to reduced advance payments from our customers or longer payment schedules, and we may need to raise additional capital from time to time to meet these requirements. While we do not anticipate seeking additional working capital financing in the immediate future, an inability to do so on terms acceptable to us could adversely affect our business operations.

Our sources of additional financing, where required to meet our capital expenditure plans or working capital requirements, may include the incurrence of debt or the issue of equity or raising of debt or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see "***Financial Indebtedness***" on page 442.

28. ***A portion of the Net Proceeds is proposed to be utilised for repayment or pre-payment, in full or part, of a loan availed by our Company from Axis Bank Limited, which is an affiliate of Axis Capital Limited, one of the Book Running Lead Managers to the Offer.***

We propose to use a portion of the Net Proceeds to either repay or pre-pay, in full or part, of a loan availed by our Company from Axis Bank Limited, which is an affiliate of Axis. Our Company has the following amount outstanding, as on June 30, 2024, under our loan facility with Axis Bank Limited, which is proposed to be repaid or pre-paid, in full or part, using the Net Proceeds.

Name of the lender	Nature of the facility	Date of the sanction letter	Amount sanctioned (₹ in million)	Amount outstanding as on June 30, 2024 (₹ in million)	Interest rate as on June 30, 2024	Tenor/ Repayment Schedule
Axis Bank Limited	Term Loan	June 25, 2021	300.00	220.75	9.30%	Up to December 2028

Axis is a BRLM to the Offer. The loan was sanctioned by Axis Bank Limited in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. In this regard, our Company has received a letter from Axis dated August 9, 2024. The Board of Directors of our Company have chosen to repay/prepay these loans and facilities based on commercial considerations. For further information, see "***Objects of the Offer – Repayment/prepayment of certain indebtedness availed by our Company and Metalman Micro Turners***" on page 113.

29. ***Our inability to collect receivables in time or at all and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our business depends on our ability to successfully obtain payments from our customers for products and services provided. We provide our customers with credit period typically ranging from 30 to 64 days for domestic customers and 60 to 90 days for export customers, as part of our standard payment terms. The table below sets forth our trade receivables and allowance for doubtful debts as of the dates stated:

Particulars	As of for the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Trade receivables (₹ million)	1,831.18	1,964.42	1,252.67
Trade receivables turnover ratio (1)	8.23	5.35	8.23
Trade receivables days	44	68	44

Note:
(1) Trade receivables turnover ratio is calculated as revenue from operations divided by trade receivables. (2) Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days

There is no guarantee that we will accurately assess the creditworthiness of our customers, and actual losses on amounts due to us from customers could differ from those that we currently anticipate. Further, macro conditions such as the reduction of global production levels and tightening of liquidity in the global financial markets could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us in the future. The occurrence of any of these events could increase our trade receivables. If one or more of our customers were to become insolvent or otherwise be unable or unwilling to pay for their orders, our results of operations, cash flows and financial condition could be adversely affected. Furthermore, an increase in bad debts or in defaults by our customers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

30. ***We are exposed to foreign currency exchange rate fluctuations which may have an adverse effect on our results of operations and the value of the Equity Shares, independent of our operating results.***

While our principal revenue is in the Indian Rupee, we are exposed to exchange rate fluctuations, particularly in USD, GBP and Euro owing to our import of critical raw materials involved in manufacturing of our products and revenue earned in foreign currency on account of export sales. While we do not have formal hedging arrangements, we have a natural hedge on USD and Euro denominated raw material expenses and borrowings through our USD and Euro denominated export sales. To the extent we are unable to match costs incurred in foreign currencies with revenue received, or there are sharp exchange rate fluctuations between such currencies, we could have significant unhedged exposure on translation of receivables and trade payables.

The table below sets forth the breakdown of our unhedged foreign currency exposure as on the dates stated.

Particulars	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
		Amount (₹ million)	
Unhedged exposure on translation of trade receivables (A)	178.97	92.99	83.49
Unhedged exposure on translation of trade payables (B)	6.91	8.02	7.23
Unhedged exposure on translation of borrowings (C)	68.22	67.75	33.66
Unhedged exposure on translation of payable for PPE (D)	3.74	2.80	3.79
Unhedged foreign currency exposure (net) (E=A-B-C-D)	100.10	14.42	38.81

The table below sets forth the loss/gain on foreign currency transactions as on the dates stated.

Particulars	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
		Amount (₹ million)	
(Loss)/gain on foreign currency transactions	9.22	0.45	16.03
Gain/(Loss) on Forward Contract	2.12	3.09	-
Total Gain/(Loss)	11.34	3.54	16.03

For further information, see "***Restated Consolidated Financial Information – Note 45 - Financial risk management objectives and policies***" on page 395. Accordingly, any significant fluctuation in the exchange rates and appreciation in the value of the Indian Rupee against foreign currencies, could result in an adverse effect on our business, results of operations, financial condition and future prospects.

31. ***There can be no assurance that claims, under the insurance policies maintained by us, will continue to be covered or accepted in full in the future.***

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third-party liability claims, labour disturbances, employee fraud, infrastructure failure, fire, earthquakes, flood and other force majeure events. Our principal types of coverage include among others, protection from fire, consequential loss from fire, burglary, marine, employee compensation, money insurance, machinery breakdown, director and officers liability, group mediclaim and general liability insurance. See "***Our Business – Insurance***" on page 284 for further details on our insurance coverage. Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. Some of our insurance policies are due for renewal as on the date of this Draft Red Herring Prospectus, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

The table below sets forth certain information on our insurance coverage as at the dates stated:

Particulars	**As at March 31, 2024**		**As at March 31, 2023**		**As at March 31, 2021**	
	Amount (₹ million)	***% of total insurable assets***	***Amount (₹ million)***	***% of total insurable assets***	***Amount (₹ million)***	***% of total insurable assets***
Insured assets	5,270.36	137.33%	4,813.01	135.88%	3,304.39	132.42%

Note: Insurable assets includes property, plants and equipment (excluding freehold hand and leasehold land), capital work-in progress, asset held for sale (excluding leasehold land and building), cash balances and inventories.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Our financial condition may also be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. While our insurance claims have not exceeded our insurance coverage and we have not recognized any losses in the last three Financial Years due to partial or total rejection of our claims by our insurers, there can be no assurance that our future claims will continue to be covered or accepted in full by our insurance policies. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurances policies, could materially harm our financial condition, business, future results of operations, and cash flows.

32. ***We face risks in our international sales and operations which may have an adverse impact on our business, financial condition, results of operations and future prospects.***

While the majority of our revenue from operations is derived from the domestic automotive market, we also sell our products in the overseas markets. Over the last three financial years, i.e. Financial Years 2024, 2023 and 2022, we have served customers in over 13 countries including USA, Canada, Brazil, Chile, Germany, Italy, Sri Lanka, Thailand, Finland, Romania, France and Taiwan. Out of our total revenue from operations in the Financial Years 2024, 2023 and 2022, ₹633.98 million, ₹653.51 million and ₹411.73 million respectively, was generated from our overseas operations. The table below sets forth our exports as a percentage of our total revenue from operations for the the Financial Years stated.

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Outside India	633.98	4.21%	653.51	6.22%	411.73	3.99%

We are affected by risks inherent in international sales and operations, including:

- economic cycle and demand for our products in the international markets;
- currency exchange controls and exchange rate fluctuations;
- regional economic or political uncertainty;
- differing accounting standards and interpretations;
- competition from local competitors who may have more experience in such markets and may receive concessions or benefits which are not available to us in such jurisdictions;
- differing domestic and foreign customs, tariffs and taxes;
- current and changing regulatory environments, including differing environmental and labour regulations;
- difficulty in staffing and managing widespread operations;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements; and
- availability and terms of financing.

To the extent that we are unable to effectively manage our global operations and risks such as the above or fail to comply with the changing international regulations and resolve cultural differences, we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and prospects may be adversely affected.

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

We have, from time to time, entered into various transactions with related parties. The table below sets forth the total amount of our related party transactions in the ordinary course of business for the Financial Years stated:

Particulars	For Financial Year ended March 31, 2024		For Financial Year ended March 31, 2023		For Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total income*	*Amount (₹ million)*	*% of total income*	*Amount (₹ million)*	*% of total income*
Total related party transactions	1,172.83	7.70%	474.13	4.34%	453.10	4.37%

For information on all our related party transactions, see "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures*** " on page 377.

Some of our related party transactions include sale of raw materials, such as, brought out parts to Metalman Micro Turners and MMT Autocomp and National Industries, members of our Promoter Group; employee services provided by our Company to Insightful Systems Private Limited, our Group Company and a member of our Promoter Group and Jade Ventures and National Industries, members of our Promoter Group. In addition, our Company has previously taken loans from our Promoters and Directors, Bikramjit Bembi, Navneet Jairath, Sachin Bembi and Nishant Jairath. For further information, see "***Our Management* - *Interest of Directors***" and "***Our Promoter and Promoter Group* - *Interest of our Promoter***" on pages 305 and 317, respectively.

The transactions with related parties have been conducted in the ordinary course of business and on an arm's length basis, in accordance with applicable laws, and are not prejudicial to the interest of our Company. It is likely that we will continue to enter into related party transactions in the future. Although all related-party transactions that we may enter into will be subject to Audit Committee, Board or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein, or that we could not have undertaken such transactions on more favorable terms with any unrelated parties.

34. Our contingent liabilities as stated in our Restated Consolidated Financial Information could adversely affect our financial condition.

As of the dates given below, the Restated Consolidated Financial Information disclosed the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(in ₹ million)

Nature of Contingent Liabilities	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
GST liability that may arise in respect of matters in appeal	35.71	0.18	0.00
Custom liability that may arise in respect of matters in appeal	1.08	0.00	0.00
Income tax liability that may arise in respect of matters in appeal (excluding interest and penalty to the extent not known)	11.54	0.00	0.00
Workmen consumption liability that may arise in respect of matter in appeal	2.33	2.33	2.33
PF Liability that may arise in respect of matter in appeal	0.00	0.10	0.10
Liability which may arise in respect of Bank Guarantee	3.07	2.57	0.25
Total	**53.73**	**5.17**	**2.68**

For details see, "***Restated Consolidated Financial Information – Note 42 – Contingent Liabilities***" on page 390.

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

35. ***We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements.***

As of June 30, 2024, our outstanding borrowings were ₹ 3,144.27 million. We have entered into agreements with certain banks and financial institutions for working capital and cash credit facilities, which typically contain restrictive covenants, including, requirements that we obtain consent from the lenders prior to undertaking certain matters including any change in the capital structure, promoter shareholding, promoter directorship resulting in change in management control, opening a new current account with any other bank, change in name or trade name of the Company, effect any dividend payout in case of delay in debt servicing or breach of any financial covenants, change in accounting standards and accounting year, amendments in our Company's constitutional documents and enter into any scheme of merger, amalgamation, compromise or reconstruction or do a buy back. Further, in terms of security, we are typically required to create a charge over our movable fixed assets (present and future) or our immovable properties. Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. For further information, see "***Financial Indebtedness***" on page 442. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt, which may lead to an adverse impact on our financial results and business prospects. Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition.

36. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our facilities, and any delay or inability in obtaining, renewing or maintain such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits under various regulations, guidelines, circulars and statutes regulated by the Government of India, the relevant State Governments and certain other regulatory and government authorities. As on the date of this Draft Red Herring Prospectus, our Company is yet to apply to Maharashtra Pollution Control Board for Consent to Operate and Authorization under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for the Aurangabad Manufacturing Unit 4. As on the date of this Draft Red Herring Prospectus, our Company has applied to Labour Commissioner Organisation for a certificate of Registration under Contract Labour Act, 1970 for Pantnagar Manufacturing Unit and Metalman Micro Turners has applied to the Uttarakhand Pollution Control Board for Consolidated Consent to Operate and Authorization under the Water Act, the Air Act and the Hazardous Wastes Rules for the Pantnagar Manufacturing Unit and to the Labour Commissioner Organisation for the Certificate of Registration under Contract Labour Act, 1970 for Pantnagar Manufacturing Unit. For details on the regulations and policies applicable to our Company, and licenses and approvals obtained by us, see "***Key Regulations and Policies in India***" and "***Government and other Approvals***" on page 287 and 451, respectively.Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations.

Further, the approvals, licenses, registrations and permits issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing unit. While there have been no instances in the past where any approvals, licenses, registrations and permits issued to us were suspended or revoked, we cannot assure you that the relevant authorities would not suspend or revoke any of our approvals, licenses, registrations and permits. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be materially and adversely affected.

37. ***The withdrawal of certain financial benefits available to us may adversely affect our business, financial condition and results of operations.***

We benefit from certain financial incentives such as the Maharashtra Industrial Promotion Subsidy Policy – 2013 and the Madhya Pradesh Investment Promotion Scheme – 2014, through which we received a subsidy of ₹69.90 million pertaining to the period from April 1, 2020 to March 31, 2023. If there are any changes to the schemes of the government in relation to these subsidies and incentives or if there is any inability from us to avail this financial benefit from the respective state governments for any reason, it may also affect our profitability and results of operations.

38. ***We are subject to stringent environmental laws and regulations in India, which may subject us to increased compliance costs, and which may in turn result in an adverse effect on our financial condition. We also require certain licenses, permits and approvals under such laws and regulations in India in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially affect our operations.***

We are subject to environmental and related laws and regulations in the states in which we operate. These include laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials particularly hazardous and pollutant discharge into soil, air or water, and the health and safety of our employees. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water Act, the Air Act and the Hazardous Wastes Rules, in order to establish and operate our manufacturing units in India and are subject to inspections from the relevant authorities in order to maintain such approvals. Further, regulatory permits required for our operations may be subject to annual or periodic renewal and, in certain circumstances, modification or revocation. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business may lapse in their normal course and our Company applies to the relevant central or state government authorities in the regular course for renewal of such licenses, consents, registrations, permissions and approvals. See "–***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our facilities, and any delay or inability in obtaining, renewing or maintain such permits, licenses and approvals could result in an adverse effect on our results of operations.***", "***Key Regulations and Policies in India***" and "***Government and other Approvals***" on pages 55, 287 and 451, respectively.

Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. While there have been no past instances of suspension of the approvals, licenses, registrations or permits issued to us, in last three Financial Years, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our manufacturing units (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects. Further, there can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. We additionally cannot assure you that the contractors operating on our manufacturing unit will be able to obtain and maintain relevant approvals for continuous operations of such facilities. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. While we have not been fined or otherwise sanctioned in the last three Financial Years, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations.

Furthermore, environmental laws and regulations, and the interpretation and enforcement thereof, are also subject to change and have tended to become stricter over time, in India and internationally, and may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

39. ***We have obtained various certifications and accreditations for our manufacturing units. Any delay or failure in obtaining or renewing such certifications, or revocation of such certifications, may adversely impact our operations.***

Our facilities hold various accreditations including ISO 9001:2015, IATF 16949:2016, ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015. For further details see, "***History and Certain Corporate Matters – Awards, accreditations and recognition***" on page 294. There can be no assurance that these certifications will be renewed, or that such renewals will occur in a timely manner. An expansion of our product base may require additional certifications which we do not have and which we may not be able to obtain in a timely manner. Any delay in obtaining certifications, revocation of an existing certification, or refusal to grant a certification could materially adversely impact our relationship with our customers or our ability to attract new customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

40. ***There are outstanding legal proceedings involving our Company. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

A summary of the outstanding proceedings involving our Company, Metalman Micro Turners, Directors, Promoters and Group Companies in accordance with requirements under the SEBI ICDR Regulations, as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, are set out below. These proceedings are pending at different levels of adjudication before various courts and regulatory authorities:

Category	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoters	Material pending civil litigation	Aggregate amount involved (in ₹ million)(1)
Company						
Against the Company	Nil	7	Nil	N.A.	4(2)(5)	162.56
By the Company	6	N.A.	N.A.	N.A.	4	251.43
Metalman Micro Turners(3)						
Against Metalman Micro Turners	Nil	2	Nil	N.A.	Nil	3.53
By Metalman Micro Turners	3	N.A.	N.A.	N.A.	Nil	7.17
Directors						
Against the Directors	1(4)	Nil	Nil	N.A.	1(5)	2.00
By the Directors	Nil	N.A.	Nil	N.A.	Nil	Nil
Promoters						
Against the Promoters	1(4)	Nil	Nil	Nil	1(5)	2.00
By the Promoters	Nil	N.A.	Nil	N.A.	Nil	Nil
Group Company						
Outstanding litigation which may have a material impact on our Company	Nil					

(1) To the extent quantifiable.
(2) Includes a civil proceeding instituted by Hafiza Bi against our Company, in connection with the criminal proceeding against our Director and Promoter, Sachin Bembi.
(3) As on the date of this Draft Red Herring Prospectus, our Company is a partner of Metalman Micro Turners, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information.
(4) Represents the criminal proceeding against Sachin Bembi, our Director and Promoter.
(5) Represents a material civil proceeding instituted by Escon Infratech Private Limited against our Company wherein our Promoters and Directors, namely Navneet Jairath, Sachin Bembi, Bikramjit Bembi and Nishant Jairath, and our Director Shrikant Gulabchand Mundada are also named as party.

For further details of such legal proceedings and notices, see "***Outstanding Litigation and Material Developments***" on page 444. We cannot provide any assurance that these legal proceedings will be decided in our favor. Such proceedings could divert management time and attention and consume financial resources in their defense. Any adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, results of operations and future cash flows.

41. ***Our failure to keep our technical knowledge confidential, or our inability to obtain and protect our intellectual properties may have adverse effects on our business and results of operations.***

As on the date of this Draft Red Herring Prospectus, we have three registered trademarks in India and nine granted patents in India for various inventions. For details in relation to our intellectual property rights, see "***Our Business – Intellectual Property***" and "***Government and Other Approvals – Intellectual Property***" on pages 285 and 454. The illegal use of our trademarks or logos by third parties or any negative publicity about our brand(s) could affect our reputation which in turn, affects our ability to attract and/or retain customers. Any adverse outcome in such legal proceedings or any other proceeding(s) that we may initiate, or failure to successfully enforce our intellectual property rights, or any leak of confidential technical information may have an adverse effect on our business, results of operations and cash flows.

Furthermore, some of our key employees have access to confidential design and product information. While we enter into non-disclosure agreements in respect of R&D against such employees, there can be no assurance that such employees will not leak such information to our customers or that we will be able to successfully enforce such agreements. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection.

42. ***If we inadvertently infringe upon the intellectual property rights of others, our business and results of operations may be adversely affected.***

While we seek to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing on any existing third-party intellectual property rights. We may be susceptible to claims from third parties asserting infringement and other related claims. Non-compliance with the intellectual property rights of others and any claims and actions by third parties may force us to alter our technologies or design new non-infringing technologies, obtain licences, or cease some of our operations. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which could be costly. We may also be held liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, in certain cases, our customers share their technical or commercial information, drawings, specifications, other intellectual property, software, reports, financial projections, etc. for the purposes of developing, manufacturing and supplying products for them. We are bound by confidentiality obligations under our non-disclosure agreements with our customers to protect their intellectual property, prototypes, manufacturing processes, know-how, etc. Although in the past there has been no breach or misuse of intellectual property or proprietary data, an inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

43. ***We are subject to stringent labour laws or other industry standards and any kind of disputes with our employees could adversely affect our business, results of operations, financial condition and cash flows.***

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution, employee removal and for imposing financial obligations on employers in the event of retrenchment of workers. We are also subject to state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits.

The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, the provisions of which will be brought into force on a date to be notified by the Central Government. For details, see "***Key Regulations and Policies in India***" on page 287. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. We may also be subject to changing judicial interpretation of the applicable labour laws.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Furthermore, in order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for providing statutory benefits, including wages to these labourers if the independent contractors fail to do so. For further details, see "***– We are dependent on contract labour and any disruption to the supply of such labour for our manufacturing units or our inability to control the composition and cost of our contract labour could adversely affect our operations***" on page 46.

44. ***We depend on the skills and experience of our Promoters, Key Managerial Personnel, Senior Management and employees with technical expertise for our business and future growth.***

We benefit from the strategic guidance of our Promoters and Directors, Bikramjit Bembi, Nishant Jairath, Sachin Bembi and Navneet Jairath. If his involvement in our business reduces in the future, we may be unable to implement our plans as anticipated or maintain administrative control as we currently do, which in turn could adversely affect our business, results of operations, financial condition and prospects.

Furthermore, our future performance will also depend on the continued service of our Key Managerial Personnel and Senior Management and persons with technical expertise, and the loss of any such employee and the inability to find an adequate replacement may impair our relationship with our customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and prospects. For details of our Board, Key Managerial Personnel and Senior Management, see "***Our Management – Key Managerial Personnel and Senior Management***" on page 313.

In addition, our success in expanding our business will also partly depend on our ability to attract, retain and motivate mid-to-senior management personnel and engineers. The table below sets forth the breakdown of our staff by professional qualifications as of June 30, 2024:

Particulars	**As of June 30, 2024**
Professional qualification	79
Technical diploma	272
Engineering degree	238
Industrial training	167
Others	482
Total	**1,238**

We cannot assure you that we will be able to retain our staff or find adequate replacements in a timely manner, or at all. We may need to increase our levels of employee compensation, including share-based compensation, to attract and retain our staff. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will continue to work for us or that we will successfully attract new talent.

The table below sets forth information on our attrition rates for the Financial Years stated:

Particulars	**As of/ for the Financial Years ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Key Managerial Personnel and Senior Management			
Number of Key Managerial Personnel and Senior Management	6	7	7
Attrition Rate[(1)] (Key Managerial Personnel including Senior Management)	14.29%	-	-
Total staff			
Total staff employed	1,218	1,175	875
Attrition Rate[(1)]	18%	20%	22%

(1) *Attrition rate for a particular category is calculated as total number of employees who have resigned during the period divided by average number of employees as on 1st date of each month during such period.*

We may also require significant time to hire and train replacement personnel when skilled personnel terminate their employment with us. The loss of the services of our staff could adversely affect our business, results of operations and financial condition.

45. ***Our business faces substantial competition.***

We face competition from competitors both domestically and internationally, in relation to specific categories or geographies. The key factors of competition may include quality, cost, delivery, technical capability and quality of management. Consequently, we do not have a single competitor across all our product ranges. For details on our competitors in the automotive market, see, "***Our Business – Competition***" on page 286.

A number of our competitors are larger than we are, and some competitors have greater financial and other resources than we do and other economic advantages as compared to our business, such as higher revenue, lower labor costs, and, in some cases, export or raw materials subsidies. Increased competition could adversely affect our business. In addition, any of our competitors may foresee the course of market development more accurately than we do, develop products that are superior to our products, produce similar products at a cost that is lower than our cost, or adapt more quickly than we do to new technologies or evolving customer requirements. As a result, our products may not be able to compete successfully with our competitors' products, and we may not be able to meet the growing demands of customers. If we misjudge the amount of capital to invest or are otherwise unable to continue providing products that meet our customers' needs in this environment of rapid technological change, our market competitiveness could be adversely affected.

46. ***We work with hazardous materials in our manufacturing activities and such operations can be dangerous, which could cause injuries to people or property.***

We use and store of hazardous or flammable materials in our manufacturing units including, paints, thinners, fuels and chemicals. Although we employ safety procedures, including providing safety equipment on the shop floor, in the operation of our manufacturing units and maintain what we believe to be adequate insurance, there is a risk that an accident may occur in any of our facilities. Such an accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects. While we maintain insurance policies such as accident and medical insurance policies for our employees, we cannot assure you that the coverage under such policies will be sufficient to cover loss sustained or that an affected employee or third party will not additionally seek legal recourse against us. While there have been no such instances in the past, we may 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 and financial condition could be adversely affected.

47. ***Our Promoter and Director and certain of our Directors may have interests in the Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoter and Directors, Bikramjit Bembi, Nishant Jairath, Sachin Bembi and Navneet Jairath, and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Company sold the flat at G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India, that was previously used by our Company for the purposes of a guest house for our Directors, Key Managerial Personnel and Senior Management, to our Promoter and Whole-Time Director, Nishant Jairath pursuant to a deed dated April 16, 2024 for a consideration of ₹ 120.00 million (exclusive of stamp duty). For details see, "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures***" on page 377.

In addition to the above, our Promoters and members of the Promoter Group directly and indirectly holds and controls the entire paid-up equity share capital in our Company, pursuant to which they may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details see "–***Our Promoters 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***" on page 61.

Metalman Micro Turners, a partnership firm, wherein two of our Promoters, Sachin Bembi and Nishant Jairath are partners and hold 1% of the share of the profit each (and our Company holds the remaining 98% of the share of the profit), is engaged in a business similar to ours. We cannot assure you that our Promoters and our other Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. This may give rise to a conflict of interest, which may adversely affect our business, financial condition, cash flows and results of operations.

For further details, see *"Our Management – Interest of Directors", "Our Promoters and Promoter Group – Interest of our Promoters"* and *"Restated Consolidated Financial Information – Note 38 –Related party disclosures"* on pages 305, 317 and 377.

48. ***Our Promoters 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 of date of this Draft Red Herring Prospectus, our Promoters, and members of the Promoter Group, hold the entire paid-up equity share capital of our Company. Our Promoters will therefore have the ability to influence our operations significantly. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and Shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans and mergers and acquisitions strategies. Furthermore, if, in the future, our Promoters are unwilling to dilute their equity stake in our Company and do not, or are unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoters.

49. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by a bank or a financial institution, and may be subject to change based on various factors, some of which are beyond our control. Further, any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds for (i) part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2, (ii) repayment/pre-payment, in part or full of certain borrowings of our Company and Metalman Micro Turners and (iii) general corporate purposes. For details, see "***Objects of the Offer – Objects of the Fresh Issue***". The amount of Net Proceeds to be actually used will be based on our management's estimates and has not been appraised by any bank or financial institution. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

In particular, part of the Net Proceeds from the Offer are proposed to be utilized towards part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2. We have not entered into any definitive agreements to utilize the Net Proceeds and have relied on the quotations received from third parties for estimation of the cost. See, "*–**We intend to utilize ₹ 250.00 million of the Net Proceeds for part-financing the capital expenditure towards procurement of plant and machinery at the Pithampur Manufacturing Unit 2. We have relied on the quotations received from third parties in estimating such capital expenditure and are yet to place orders for such quotations.***" on page 44. Our previous investments in the procurement of equipment, which is utilized by us in carrying out our business, is based on the production schedule provided by our customers, current estimates and the future requirements estimated by our management and accordingly, may not be comparable to corresponding capital expenditure requirements for previous Financial Years.

However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations ("**Monitoring Agency**"). Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. 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.

At this stage, 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 competitive environment, business conditions, economic conditions or other factors beyond our control. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters 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 proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

50. ***Our Company will not receive any proceeds from the Offer for Sale.***

The Offer comprises an Offer for Sale by the Promoter Selling Shareholders and the Promoter Group Selling Shareholders. The Promoter Selling Shareholders and the Promoter Group 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 74 and 107, respectively.

51. ***Product liability and other civil claims and costs incurred because of product recalls could harm our business, results of operations and financial condition.***

We face an inherent business risk of exposure to product liability in the event that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both. Under the product warranties provided by us to certain customers, we may be required to bear the costs and expenses for the repair or replacement of these defective products or the customer may remedy the defect itself and reimburse such costs from us. In addition, our or our component supplier's failure to comply with applicable quality standards could also result in our products failing to perform as expected, or may result in bodily injury or property damage or both due to product failure, work accidents, fire or explosion, if our products are defective or are used incorrectly by our customers. Our arrangements with certain of our customers require us to indemnify our customers against costs, losses or damages arising out of the use of our goods, breach of obligations or claims arising out of infringement of intellectual property. We are also typically required to warrant that the goods supplied by us are free of all defects in materials and workmanship. Further, some of our contractual arrangements with our customers stipulate the payment of liquidated damages on account of delay in supply or non-fulfilment or breach of terms and conditions of the purchase orders. While there have been no such claims in the past, we cannot assure you that we will not experience any material product liability claims in the future or that we will not incur significant costs to defend any such claims.

A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition and reputation.

52. ***Any failure of our information technology systems could adversely affect our business and operations.***

We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

Our technology infrastructure and the technology infrastructure of our third-party providers are vulnerable to damage or interruption as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, misuse, war, natural calamities, power loss, telecommunications failures, cyber-attacks, human error, and other similar events. Disruptions or damage in our technology infrastructure and the technology infrastructure of our third-party providers could lead to extended interruptions of our operations, a corresponding loss of revenue and profits, cause breaches of data security, loss of intellectual property or critical data, or the release and misappropriation of sensitive information, or otherwise impair our operations. We do not have business interruption insurance to compensate us for the losses that could occur. If any such event were to occur, our business, financial condition, cash flows and results of operations may be adversely affected.

53. We may not be able to detect or prevent fraud or other misconduct committed by our employees or third parties.

Fraud or other misconduct by our employees, such as unauthorized business transactions, leaking of confidential information especially in relation to products under development, bribery and breach of any applicable law or our internal policies and procedures, or by third parties, such as breach of law may be difficult to detect or prevent. While we have not experienced any material instances of fraud or other misconduct in the past, we cannot assure you that fraud or other misconduct will not occur in the future. In such an event, we may be subject to sanctions from government and regulatory authorities, and our brand and our ability to effectively attract prospective stakeholders, obtain financing on favorable terms and conduct other business activities may be impaired.

Our Board has adopted a whistle blower policy. However, we cannot assure you that that such a policy would be effective in combating fraudulent transactions or improving overall satisfaction among our stakeholders. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but remains undetected or may occur in the future. Further, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. In the past three Financial Years, our internal controls have not been subject to any major deficiencies. However, we cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any such deficiencies could materially and adversely affect our business, reputation, financial condition and prospects.

54. Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas. For instance, our Company recently conducted internal audits for the review of our inventory management and bill of material for the period April 2023 to December 2023. Maintaining such internal controls require human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

While we seek to have in place adequate controls, 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 guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. While there have not been any instances of non-adherence with internal controls in the past three Financial Years, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls.

Our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We have taken measures to prevent corruption, for example, we have a code of conduct for our Directors, Key Managerial Personnel and Senior Management that, *inter alia*, prohibits them from taking or giving illegal payments or gifts. However, we are still exposed to the risks arising from breach of such contracts and our inability to monitor such breaches. Any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flow and financial condition.

Fraud or misconduct by our employees such as leaking of confidential information in relation to our software and solutions, unauthorized business transaction, bribery, breach of any applicable law or our internal policies could result in regulatory actions and litigation thereby creating an adverse impact on our business and reputation. Although we have controls in place with respect to the handling of such cases, we may be unable to prevent, detect or deter all such instances of misconduct. While there have been no past instances of any such fraud or misconduct committed by our employees under such contract or otherwise, we cannot assure you that our employees will not commit any fraud or other misconduct in the future. Further, we may not be able to identify non-compliance and suspicious transactions in a timely manner. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and financial condition.

55. If we fail to effectively implement our production schedules, or our manufacturing operations suffer unanticipated or prolonged interruption, our business and results of operations may be materially and adversely affected.

Our success depends in part on our ability to meet the production schedules and requirements of our customers according to their specifications and within delivery time frames which are, at times, demanding. Our ability to meet specific customer demands depends on our ability to arrange supply of critical components and commence production of our products within short timeframes. Some of our contractual arrangements with our customers stipulate the payment of liquidated damages on account of delay in supply or non-fulfilment or breach of terms and conditions of the purchase orders.

While we have not been held liable to make payments towards liquidated damages in the last three Financial Years, we cannot guarantee that in future we would not default any of the existing terms of the contract resulting in the payment of liquidated damages. While there have been no instances in past where our orders were cancelled on account of delay in supply, there can be no guarantee that our customers would not cancel orders on account of delay in supply along with payment of liquidated damages. We may in the future incur additional costs and delays in our business, including as a result of higher prices, schedule delays or the need to identify and develop alternative suppliers, and we may need to provide additional resources to support our suppliers or otherwise continue performance under our contracts. We may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. Our production operations may also suffer from unanticipated interruptions such as the Covid-19 pandemic, which would cause delays to our production schedule and prevent us from fulfilling customer orders on time. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be adversely affected.

56. Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, have been prepared in accordance with Indian Accounting Standards ("**Ind AS**") (including the Ind AS 116) and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. We have not attempted to quantify the impact of IFRS, U.S. GAAP or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS, U.S. GAAP or any other accounting principles. IFRS and U.S. GAAP differ in certain respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

57. ***This Draft Red Herring Prospectus contains certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.***

Certain non-GAAP financial measures, such as, Net asset value per Equity Share, EBITDA, EBITDA Margin, PAT Margin, RoCE and RoE among others relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such non-GAAP financial measures and operational information when reporting their financial results. These non-GAAP financial measures and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Non-GAAP Measures***" on page 414.

58. ***The majority of our Independent Directors do not have experience of being directors of any other listed entity.***

Except for Neetika Batra and Rajan Wadhera, none of our Independent Directors have any experience of being directors of a listed entity. While the Independent Directors on the Board of our Company are qualified professionals with substantial industry experience, they have historically not been subject to or familiar with the compliance requirements and scrutiny of the SEBI, Stock Exchanges or any other regulator relevant to a listed company, whether in India or abroad.

Accordingly, to such extent and from such perspective, their guidance and oversight may be limited, which may thereby have an impact on our Company's effectiveness in matters of compliance as a listed company under applicable laws, including from the perspective of internal controls, disclosures and procedures.

59. ***Our Company has issued Equity Shares during the last twelve months at a price which may be lower than the Offer Price.***

We have, in the 12 months preceding the filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Offer Price. See "***Capital Structure – Notes to Capital Structure – Issue of Equity Shares at a price lower than the Offer Price in the last one year***" on page 97. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

60. ***This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks.***

This Draft Red Herring Prospectus includes information derived from a third-party industry report dated August 12, 2024, titled "*Assessment of market potential for metal and associated components in automotive market*" prepared by CRISIL pursuant to an engagement with our Company. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Our Company commissioned and paid for the CRISIL Report exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated May 21, 2024. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

The CRISIL Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Furthermore, 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. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Furthermore, the CRISIL Report is not a recommendation to invest/ disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See "***Industry Overview***" on page 137. For the disclaimers associated with the CRISIL Report, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation –Industry and Market Data***" on page 15.

61. ***Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our credit ratings as of the relevant dates indicated are set forth below:

Rating Agency	Instrument	Credit Rating as of 2024
CRISIL	Long term bank facilities	CRISIL A/Stable
	Short term bank facilities	CRISIL A1

We cannot assure you that we will be able to maintain our credit ratings in future. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

External Risk Factors

62. ***Political, economic or other factors including but not limited to any changes in laws, rules and regulations and legal uncertainties that are beyond our control may have an adverse impact on our business, results of operations, financial condition and cash flows.***

External risks may have an adverse impact on our business, results of operations, financial condition and cash flows, should any of them materialize. For instance, (i) an increase in interest rates may adversely impact our access to capital and increase our borrowing costs; (ii) a sustained period of high inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage; (iii) a downgrade of India's sovereign rating by international credit rating agencies may adversely impact our access to capital and increase our borrowing costs; (iv) a change in tariff and non-tariff barriers in countries where we import raw materials and export our products may affect our financial condition; (v) a decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee; (vi) political instability, resulting from a change in government or in economic and Fiscal policies, may adversely affect economic conditions in India; (vii) the occurrence of natural or man-made disaster or epidemic or pandemic such as Covid-19 may adversely affect economic conditions in India; and (viii) civil unrest, acts of violence, terrorist attacks, regional conflicts or situations of war may adversely affect the financial markets, which may impact our business and financial condition. For example, in February 2022, Russia commenced military operations in Ukraine, and the conflict is currently on-going as of the date of this Draft Red Herring Prospectus.

Lastly, changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, which may adversely affect our business, results of operations, financial condition and prospects. Further, the Government of India has recently announced the Union Budget for the Financial Year 2025 ("**Budget**") and further notified the Finance Bill, 2024. Pursuant to the Budget, the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law. We have not fully determined the impact of these recent and proposed laws and regulations on our business. As such, there is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate.

63. A slowdown in economic growth in other countries and jurisdictions, such as Europe, China and the United States, could cause our business to suffer.

The Indian financial markets and economy are influenced by market and economic conditions in other countries, including conditions in the United States, Europe, and certain emerging economies in Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and us. Furthermore, concerns relating to trade wars between large economies such as the United States of America and China may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

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, affecting economic stability in India which may have an adverse effect on our business.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue. While consumer price index inflation eased to five months low of 4.9% in March 2024 from 5.1% in February 2024, core inflation tapered to 3.2% in March 2024 from 3.3% in February 2024. (*Source: CRISIL Report*). Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials 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 customers, whether entirely or in part, and may adversely affect our business and financial condition. While the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect. There can be no assurance that inflation in India will not worsen.

65. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or Fiscal policy or a decline in India's foreign exchange reserves, all of which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse reactions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

66. Changes in trade policies may affect us.

Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may have an adverse effect on our profitability.

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

Our Company did not declare any dividend for Financial Years 2024, 2023 and 2022. Our Board of Directors has approved and adopted a dividend policy in their meeting held on August 9, 2024. 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 our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, as amended.

For further information, see "***Dividend Policy***" on page 320, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements, applicable Indian legal restrictions and other factors. 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 consistent with our past practices, or at all. We may decide to retain all of our future earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. As a result, we may not declare dividends in the foreseeable future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

68. ***Foreign currency exchange rate fluctuations may have an adverse effect on net dividends to foreign investors***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

69. ***The average cost of acquisition of Equity Shares by the Promoter Selling Shareholders could be lower than the floor price of the IPO Price Band.***

The Promoter Selling Shareholders') average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the IPO Price Band as may be decided by the Company acting through the IPO Committee, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoter and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, please refer to "***Capital Structure***" on page 90.

70. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for Offer Price***" on page 123 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of equity shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and business partners;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;

- developments affecting Fiscal, industrial or environmental regulations;
- results of operations that vary from the expectations of securities analysts and investors;
- fluctuations in stock market prices and volume;
- the public's reaction to our press releases and adverse media reports; and
- general economic and stock market conditions.

The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors 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. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their Bids.

72. ***Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures ("ASM") and the Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.***

Subsequent to the listing of the Equity Shares, we may be subject to ASM and GSM by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with 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 trading market for our Equity Shares.

73. ***The Equity Shares have never been publicly traded and after the Offer, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop, which may mean you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***

There has been no public market for the Equity Shares of our Company prior to this Offer and an active trading market for the Equity Shares may not develop or be sustained after this 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. Furthermore, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may fluctuate after this Offer as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the automotive industry and changing perceptions in the market about investments in general and our Company including adverse media reports on us or changes in the estimates of our performance or recommendations by financial analysts.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could mean that you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

74. Investors may be subject to Indian taxes arising out of capital gains 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 on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether STT is paid, the quantum of gains and any available treaty exemptions. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Furthermore, if non-resident shareholders of entities holding the Equity Shares exit by way of sale or redemption of the shares held by them, such non-resident shareholders could be taxed on capital gains in India if the offshore shares derive substantial value from Indian assets, subject to certain exemptions.
Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The 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. Furthermore, provisions of the MLI have effect on India's tax treaties, including tax rates specified therein, from Financial Year 2021 onwards where the other country has also ratified the MLI and notified the relevant tax treaty as a Covered Tax Agreement.

General Anti-Avoidance Rules ("**GAAR**") seeks to deny the tax benefit to any arrangement, whose main purpose is to obtain a tax benefit, subject to the satisfaction of certain tests. If GAAR provisions are invoked, the tax authorities have wide powers, including cancellation of a proposed transaction or ignoring the impact of a transaction undertaken by the company, denial of tax benefit under the IT Act, denial of a benefit available under a tax treaty, etc.

Similarly, any business income realised 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.

Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, results of operations, financial condition and cash flows.

75. Any future issuance of Equity Shares or convertible securities or other equity linked instruments by us may dilute your shareholding, and significant sales of Equity Shares by our Promoters or major Shareholders, may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering or convertible securities or other equity linked instruments, may lead to the dilution of investors' shareholdings in our Company and may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our Promoters or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares.

76. You will not be able to sell any of the Equity Shares you purchase in the Offer on the Stock Exchanges until the Offer receives the appropriate trading approvals.

The Equity Shares will be listed on BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under applicable law. 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 their Equity Shares. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods prescribed under law.

77. The requirements of being a listed company may strain our resources.

The requirements of being a listed company may strain our resources. We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

78. Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of the Equity Shares.

Under the exchange control regulations currently in force in India, transfers 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 is not in compliance with such requirements or falls under any of the exceptions specified by the RBI, then the approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the Indian income tax authority. 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.

Furthermore, 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 a 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 GoI, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all.

For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 501.

79. Foreign investors may have difficulty in enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. The majority of our Directors and executive officers are residents of India. A substantial portion of our Company's assets and assets of our Directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of foreign securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 ("**Civil Code**"). The United States of America and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States of America, for civil liability, whether or not predicated solely upon the general securities laws of the United States of America, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, UAE, and Hong Kong have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States of America or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded are excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares	Up to [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
Of which:	
Fresh Issue(1)	Up to [●] equity shares of face value ₹ 2 each aggregating up to ₹ 3,500 million
Offer for Sale(2)	Up to 12,636,162 Equity Shares aggregating up to ₹ [●] million
The Offer comprises:	
A. QIB Portion(4)(6)	Not more than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
Of which:	
Anchor Investor Portion(6)	[●] equity shares of face value ₹ 2 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] equity shares of face value ₹ 2 each
Of which:	[●] equity shares of face value ₹ 2 each
Mutual Fund Portion (5% of the Net QIB Portion)	[●] equity shares of face value ₹ 2 each
Balance of QIB Portion for all QIBs including Mutual Funds	[●] equity shares of face value ₹ 2 each
B. Non-Institutional Portion(5)	Not less than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
Of which:	
One-third available for allocation to Bidders with an application size of size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] equity shares of face value ₹ 2 each
Two-thirds available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] equity shares of face value ₹ 2 each
C. Retail Portion(4)	Not less than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer as on the date of this Draft Red Herring Prospectus	81,575,220 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See '***Objects of the Offer***' beginning on page 107 for information about the use of the Net Proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) Our Board has authorised the Offer, pursuant to their resolution dated July 26, 2024. Our Shareholders have authorized the Fresh Issue pursuant to their resolution dated July 27, 2024. Further, our Board has taken on record the consents for the Offer for Sale of the Selling Shareholders pursuant to its resolution dated August 12, 2024.

(2) Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. For details of the authorization of each of the Selling Shareholders in relation to their respective Offered Shares, see ***"Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders"*** *on page 458.*

(3) Subject to valid bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.

(4) Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category.

(5) 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. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds,

subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

Allocation to all categories of Bidders shall be made in accordance with SEBI ICDR Regulations. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allotment to each Non-Institutional Investor 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 to the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis. See, "***Offer Procedure***" beginning on page 484.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 321 and 405, respectively.

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SUMMARY OF RESTATED BALANCE SHEET

(₹ in millions except otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	4,516.24	4,430.33	2,628.76
Right of use assets	530.42	589.41	181.69
Capital work-in-progress	107.62	86.85	25.00
Goodwill	179.90	179.90	-
Intangible assets	25.38	27.42	1.95
Financial assets:			
i) Investments	-	-	456.58
ii) Other financial assets	45.39	52.13	39.81
Current tax assets	27.43	-	-
Other non-current assets	254.61	151.52	21.43
Total non- current assets	**5,686.99**	**5,517.56**	**3,355.22**
Current assets			
Inventories	1,055.43	950.77	743.37
Financial assets:			
i) Trade receivables	1,831.18	1,964.42	1,252.67
ii) Cash and cash equivalents	33.96	177.25	3.55
iii) Bank balances other than cash and cash equivalents	9.30	11.92	6.60
iv) Loans	2.15	0.86	-
v) Other financial assets	173.92	235.15	206.99
Other current assets	107.75	198.24	124.40
Total current assets	**3,213.69**	**3,538.61**	**2,337.58**
Assets classified as held for sale	333.37	-	-
Total Assets	**9,234.05**	**9,056.17**	**5,692.80**
Equity and Liabilities			
Equity			
Equity share capital	27.19	27.19	27.19
Other equity	3,290.53	2,791.46	2,157.37
Equity attributable to owners of the Company	**3,317.72**	**2,818.65**	**2,184.56**
Non-controlling interest	36.78	34.55	-
Total equity	**3,354.50**	**2,853.20**	**2,184.56**
Liabilities			
Non-current liabilities			
Financial liabilities:			
i) Borrowings	1,860.68	1,909.78	1,431.65
ii) Lease liabilities	23.60	20.35	29.55
Provisions	47.75	28.13	27.70
Deferred tax liabilities (net)	602.38	663.13	302.94
Total non-current liabilities	**2,534.41**	**2,621.39**	**1,791.84**
Current liabilities			
Financial liabilities:			
i) Borrowings	1,266.47	1,196.67	422.74
ii) Lease liabilities	20.76	15.32	13.11
iii) Trade payables			
- total outstanding dues of micro and small enterprises	129.39	106.04	28.69
- total outstanding dues of creditors other than micro and small enterprises	1,299.70	1,624.35	996.09
iv) Other financial liabilities	273.16	173.75	114.92
Other current liabilities	344.13	282.03	108.80
Provisions	11.53	9.57	4.12
Current tax liabilities (net)	-	173.85	27.93
Total current liabilities	**3,345.14**	**3,581.58**	**1,716.40**
Total Equity and Liabilities	**9,234.05**	**9,056.17**	**5,692.80**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME)

(₹ in millions except otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	15,075.97	10,503.91	10,307.58
Other income	150.40	423.02	58.35
Total Income (I)	**15,226.37**	**10,926.93**	**10,365.93**
Expenses			
Cost of materials consumed	10,868.19	7,860.49	7,938.23
Changes in inventories of finished goods and work-in-progress	(29.43)	(38.35)	(72.49)
Employee benefits expense	794.27	541.90	495.77
Finance costs	276.81	140.36	145.07
Depreciation and amortisation expense	499.04	295.47	291.07
Other expenses	2,276.14	1,411.87	1,184.00
Total expenses (II)	**14,685.02**	**10,211.74**	**9,981.65**
Profit before share of net profits of associate and tax (I-II)	**541.35**	**715.19**	**384.28**
Share of net profit of associate	-	27.40	54.28
Profit before tax (I-II)	**541.35**	**742.59**	**438.56**
Tax expense:			
Current tax	137.52	109.08	80.00
Taxation related to earlier years	(34.99)	(0.12)	(7.17)
Deferred tax charge/(benefits)	(61.22)	2.52	16.09
Total tax expenses	**41.31**	**111.48**	**88.92**
Profit for the year	**500.04**	**631.11**	**349.64**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement (loss)/gain on defined benefit plans	1.73	3.56	(3.13)
Share of other comprehensive income in associate	-	0.15	(0.35)
Income tax effect	(0.47)	(1.24)	1.09
Total other comprehensive income for the year, net of tax	**1.26**	**2.47**	**(2.39)**
Total comprehensive income for the year, net of tax	**501.30**	**633.58**	**347.25**
Profit for the year attributable to			
Owners of the Company	497.81	631.62	349.64
Non-controlling interests	2.23	(0.51)	-
Other Comprehensive Income for the year attributable to			
Owners of the Company	1.26	2.47	(2.39)
Non-controlling interests	-	-	-
Total Comprehensive Income for the year attributable to			
Owners of the Company	499.07	634.09	347.25
Non-controlling interests	2.23	(0.51)	-
Earnings per equity share (Nominal value per share Rs. 10)			
Basic and Diluted (in Rs.)	6.10	7.74	4.29

SUMMARY OF RESTATED STATEMENT OF CASH FLOW

(₹ in millions except otherwise stated)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023		Year ended 31 March 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax		541.35		742.59		438.56
Adjusted for :						
Depreciation and amortisation expense	499.04		295.47		291.07	
Net loss on sale of property, plant and equipment (net)	3.88		14.19		(13.43)	
Re-measurement to fair value of existing equity interest in acquiree in business combination	-		(392.41)		-	
Finance costs	276.81		140.36		145.07	
Share of net profit of associate	-		(27.40)		(54.28)	
Interest income	(2.17)	777.56	(1.35)	28.86	(3.04)	365.39
Operating Profit before Working Capital Changes		**1,318.91**		**771.45**		**803.95**
Working capital adjustments:						
Decrease/ (Increase) in loans	(1.29)		(0.86)		1.14	
Decrease/ (Increase) in other financial assets	67.74		0.80		(28.15)	
Decrease/ (Increase) in inventories	(104.66)		(23.72)		(123.64)	
Decrease/ (Increase) in trade receivables and contract assets	133.24		20.89		(124.44)	
Decrease/ (Increase) in other assets	10.84		128.68		119.71	
(Decrease)/ Increase in other financial liabilities	128.15		14.32		(2.12)	
(Decrease)/ Increase in provisions	23.31		9.44		2.21	
(Decrease)/ Increase in other liabilities	62.10		11.91		56.98	
(Decrease)/ Increase in trade payables	(301.30)		4.14		(179.53)	
(Decrease)/ Increase in liabilities directly associated with assets classified as held for sale	(16.98)		-		-	
		1.15		**165.60**		**(277.84)**
Cash generated from operations		1,320.06		937.05		526.11
Direct taxes refund/ (paid)		(303.81)		(149.75)		(40.05)
Net Cash from Operating activities (A)		**1,016.25**		**787.30**		**486.06**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment and intangible assets (including capital advances and capital creditors)	(904.51)		(336.35)		(246.73)	
Investment in capital of partnership firm (subsidiary)	-		(997.80)		-	
Sale of property, plant and equipment	11.62		43.23		71.59	
Investment in/ proceeds from fixed deposits (net)	2.60		(7.62)		(4.17)	
Interest received	2.33		0.64		3.00	
Net Cash used in Investing Activities (B)		**(887.96)**		**(1,297.90)**		**(176.31)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Principal and interest payment of lease liabilities	(19.95)		(17.80)		(16.96)	
Interest paid other than on lease liabilities	(272.33)		(129.94)		(136.99)	
Proceeds/ (Repayment) from long term borrowings	(180.95)		316.27		205.25	
Proceeds/ (Repayment) of short term borrowings	201.65		452.68		(367.55)	
Net Cash flow from in/(used) Financing Activities (C)		**(271.58)**		**621.21**		**(316.25)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**(143.29)**		**110.61**		**(6.50)**
Cash and cash equivalents at beginning of year		**177.25**		**3.55**		**10.05**
Cash received from subsidiary on account of Business Combination		-		63.09		-
Cash and cash equivalents at end of the year		**33.96**		**177.25**		**3.55**
Components of cash and cash equivalents						
Cash on hand (including digital wallet)		2.27		1.93		1.56
Balance with banks:						
In current accounts		31.69		175.32		1.99

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Total	**33.96**	**177.25**	**3.55**

GENERAL INFORMATION

Registered and Corporate Office of our Company

JMK Tower, NH-8, First Floor
Mustatil No. 44, Killa No. 5, Village Kapashera
New Delhi 110 037
Delhi, India
Corporate Identity Number: U34103DL1986PLC305213
Registration Number: 305213

Address of the Registrar of Companies

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

The Registrar of Companies, Delhi and Haryana at New Delhi, Delhi
4^{th} Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Delhi, India

Board of Directors

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

Name and Designation	DIN	Address
Bikramjit Bembi *Chairman and Whole-Time Director*	01677152	House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India
Navneet Jairath *Managing Director*	01620652	House No. 20-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India
Sachin Bembi *Whole-time Director*	01654848	House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India
Nishant Jairath *Whole-time Director*	01682658	G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India
Shrikant Gulabchand Mundada *Whole-time Director*	07900129	Plot No. 61, Om Shree, Lokmat Nagar Town Centre, CIDCO Colony, Aurangabad 431 003, Maharashtra, India
Anadi Saran Pande *Independent Director*	08507928	Flat No. 5504, Faculty Residence Block, IIM Lucknow Noida Campus, B-1 Institutional Area, Sector 62, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India
Rajan Wadhera *Independent Director*	00416429	3003, B Wing, Oberoi Exquisite, 590, Village Dindoshi, Oberoi Garden City, Goregaon (E), Mumbai 400 063, Maharashtra, India
Rajnish Magan *Independent Director*	10518536	House No. C-3/1202, Parsvnath Exotica, Golf Course Road, Sector 53, Gurugram 122 011, Haryana, India
Sushil Kumar Singh *Independent Director*	09197098	D2-502, Summer Palms, Sector 86, Kheri Kalan (113), Faridabad 121 002, Haryana, India
Neetika Batra *Independent Director*	10219725	House No.- C, 114, Ground Floor, Suncity, Sector-54, Gurugram, 122 001, Haryana, India

See “***Our Management – Brief profiles of our Directors***” on page 301.

Company Secretary and Compliance Officer

Tarun Kumar is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Tarun Kumar

JMK Tower, NH-8, First Floor
Mustatil No. 44, Killa No. 5, Village Kapashera
New Delhi 110 037
Delhi, India

Tel: +91 85 9593 9914
E-mail: compliance@metalmanauto.com

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

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

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025, Maharashtra, India
Tel: + 91 22 4325 2183
E-mail: metalman.ipo@axiscap.in
Investor Grievance E-mail:
complaints@axiscap.in
Contact Person: Jigar Jain
Website: www.axiscapital.co.in
SEBI Registration: INM000012029

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: metalman.ipo@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Contact Person: Gaurav Mittal/Nikita Chirania
Website: www.icicisecurities.com
SEBI Registration: INM000011179

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road, Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: metalmanipo@motilaloswal.com
Investor Grievance E-mail:
moiaplredressal@motilaloswal.com
Contact Person: Ritu Sharma
Website: www.motilaloswalgroup.com
SEBI Registration: INM000011005

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III

New Delhi 110 020
Delhi, India
Tel: +91 11 4159 0700

Bankers to our Company

HDFC Bank Limited
HDFC Bank, 5th Floor
Kalsi Nagar, Near Dholewal Chowk
GT Road, Ludhiana 141001
Punjab, India
Tel: + 91 98727 77730
E-mail: Nitash.batra@hdfcbank.com
Contact Person: Nitash Batra
Website: www.hdfcbank.com

Citi Bank N.A.
9th Floor, DLF Square
Jacaranda Marg M-Block
DLF Phase - II, Gurgaon 122 002
Haryana, India
Tel: + 91 1244186945
E-mail: Rohit.Bathla@citi.com
Contact Person: Rohit Bathla
Website: www.citigroup.com

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: metalman.ipo@linkintime.co.in
Investor Grievance E-mail: metalman.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Website: www.linkintime.co.in
SEBI Registration: INR000004058

Bankers to the Offer

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank(s)

[●]

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles and whose names appear on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism, is provided as 'Annexure A' for SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self-Certified Syndicate Bank Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time and on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, as updated from time to time.

Collecting Depository Participants

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

Statutory Auditors of our Company

M S K A & Associates
The Palm Springs Plaza
Office no. 1501-B, 15th Floor
Sector 54, Golf Course Road
Gurugram 122 001
Haryana, India
Tel: + 91 124 4087954
E-mail: vinodgupta@mska.in
Firm Registration Number: 105047W
Peer Review Number: 016966

Change in statutory auditors

Except as disclosed below, there has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of the change	Reason for change
M S K A & Associates The Palm Springs Plaza Office no. 1501-B, 15th Floor Sector 54, Golf Course Road Gurugram 122 001 Haryana, India **Tel:** + 91 124 4087 954 **E-mail:** vinodgupta@mska.in **Firm Registration Number:** 105047W **Peer Review Number:** 016966	February 8, 2024	Appointment as the statutory auditors of our Company due to casual vacancy caused by the resignation of the previous auditor
K.C. Khanna & Co. Gobind Mansion H-96 Cannaught Circus New Delhi 110 001 Delhi, India **Tel:** + 91 941 7292 403 **E-mail:** ldh.kckhanna@gmail.com **Firm Registration Number:** 000481N **Peer Review Number:** 016101	February 7, 2024	Resignation as the statutory auditors of our Company due to time constraints due to other commitments

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

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

Sr. No	Activities	Responsibility	Coordination
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.	Book Running Lead Managers	Axis
2.	Drafting and approval of all statutory advertisements	Book Running Lead Managers	Axis
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	Book Running Lead Managers	I-Sec
4.	Appointment of Registrar to the Offer, advertising agency, Printer including co-ordination for their agreements	Book Running Lead Managers	Axis
5.	Appointment of all other intermediaries including Bankers to the Offer, Share Escrow Agent, Monitoring Agency (including coordination of all agreements)	Book Running Lead Managers	Motilal
6.	Preparation of road show presentation and FAQs	Book Running Lead Managers	I-Sec
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	Book Running Lead Managers	Axis
8.	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	Book Running Lead Managers	I-Sec
9.	Conduct retail and non-institutional marketing of the Offer, which will cover, inter-alia: • Finalizing media, marketing, public relations strategy and publicity budget • Finalizing collection centres	Book Running Lead Managers	Motilal

Sr. No	Activities	Responsibility	Coordination
	• 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		
10.	Coordination with Stock Exchanges for book building software and bidding terminals and mock trading	Book Running Lead Managers	Motilal
11.	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	Book Running Lead Managers	I-Sec
12.	Managing the book and finalization of pricing in compliance with Company in accordance with SEBI ICDR regulations	Book Running Lead Managers	Axis
13.	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.	Book Running Lead Managers	Motilal

Credit Rating

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

IPO Grading

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

Debenture Trustees

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

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in compliance with the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus with the RoC. See "***Objects of the Offer***" beginning on page 107.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any bank/financial institution. See, "***Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by a bank or a financial institution, and may be subject to change based on various factors, some of which are beyond our control. Further, any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***" on page 61.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

Except as stated below, our Company has not obtained any expert opinions in relation to this Draft Red Herring Prospectus:

Our Company has received a written consent dated August 12, 2024 from M S K A & Associates, Chartered Accountants 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 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated August 9, 2024 on our Restated Consolidated Financial Information and their report dated August 12, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 12, 2024 from K.C. Khanna & Co., Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Previous Statutory and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 12, 2024 from Dewan P.N. Chopra & Co, Chartered Accountants, holding a valid peer review certificate from the ICAI, 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 and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received certificate dated August 11, 2024 ("**ICE Certificate**") from Sapient Services Private Limited, independent chartered engineer (membership number: AM/159095/5) certifying, among other things, the details of the installed capacity and capacity utilization of the products manufactured at our manufacturing units, and consenting to the inclusion of their name 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, to the extent and in their capacity as an independent chartered engineer, in relation to the ICE Certificate and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 10, 2024, from SPG and Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 11, 2024, from M. G. Jindal & Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular. The Draft Red Herring Prospectus will also be filed with the Securities and Exchange Board of India at:

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

Mumbai 400 051, Maharashtra, India

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

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid lot will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate 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 and the Selling Shareholders pursuant to the Book Building Process, in consultation with the BRLMs, after the Bid/Offer Closing Date. See "***Offer Procedure***" beginning on page 484.

All Bidders, other than Anchor Investors, shall only participate 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 or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors, Non-Institutional Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII to the SEBI ICDR Regulations. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on method and process of Bidding, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" beginning on pages 474, 481 and 484, respectively.

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

Bidders should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within such time period as prescribed under applicable law.

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

For an explanation of the price discovery process and allocation, see "***Terms of the Offer***" and "***Offer Procedure***" beginning on pages 474 and 481, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process, see "***Terms of the Offer***" and "***Offer Procedure***" on pages 474 and 481, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten *(₹ in million)*
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 40(3) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board of Directors/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus, with the RoC.

CAPITAL STRUCTURE

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

(in ₹, except share data)

S. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	100,000,000 Equity Shares of face value of ₹ 2 each	200,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	81,575,220 Equity Shares of face value of ₹ 2 each	163,150,440	-
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of [●] equity shares of face value ₹ 2 each aggregating to ₹ [●] million(2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] equity shares of face value ₹ 2 each aggregating up to ₹ 3,500.00 million (2)	[●]	[●]
	Offer for Sale of up to 12,636,162 equity shares of face value ₹ 2 each aggregating up to ₹ [●] 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		-
	After the Offer*		[●]

* *To be updated upon finalization of the Offer Price.*

(1) *For details in relation to changes in the authorized share capital of our Company during the 10 years immediately preceding the date of this Draft Red Herring Prospectus, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 293.*

(2) *The Offer has been authorized by our Board pursuant to its resolution dated July 26, 2024. Our Shareholders have authorised the Fresh Issue pursuant to special resolution dated July 27, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 12, 2024.*

(3) *Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. For details of the authorization of each of the Selling Shareholders in relation to their respective Offered Shares, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders**" on page 458.*

Notes to Capital Structure

1. **Equity share capital history of our Company**

The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
May 16, 1986*^	100 equity shares each were allotted to Navneet Jairath and Bikramjit Bembi	Initial subscription to Memorandum of Association	200	10	10.00	Cash
September 10, 1987^	14,900 equity shares were allotted to Bikramjit Bembi, 17,000 equity shares were allotted to Navneet Jairath, 1,300 equity shares were allotted to Bikramjit Bembi and Sons HUF, 1,300 equity shares were allotted to Navneet Jairath and Sons HUF, 1,950 equity shares were allotted to Navita Jairath, 5,950 equity shares were allotted to Savita Bembi,	Further issue	91,450	10	10.00	Cash

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	8,700 equity shares were allotted to Sachin Bembi, 11,350 equity shares were allotted to Nishant Jairath, 6,900 equity shares were allotted to Sonia Bembi Seth, 6,550 equity shares were allotted to Nisha Jairath, 1,000 equity shares were allotted to Pritam Singh Harminder Singh HUF, 1,000 equity shares were allotted to Darshan Singh Gurmeet Singh HUF, 1,000 equity shares were allotted to Mukhtiar Singh Jagdish Singh HUF, 1,000 equity shares were allotted to Ajit Singh Harnail Singh HUF, 2,000 equity shares were allotted to Madhu Kothari, 2,000 equity shares were allotted to Tejinder Paul Singh, 2,000 equity shares were allotted to Veena Mittal and 5,550 equity shares were allotted to Girish Duggal					
December 30, 1989^	5,000 equity shares were allotted to Navneet Jairath and 20,000 equity shares were allotted to Savita Bembi	Further issue	25,000	10	10.00	Cash
April 3, 1990^	400 equity shares were allotted to Sonia Bembi Seth, 200 equity shares were allotted to Nisha Jairath, 5,800 equity shares were allotted to Sachin Bembi, 3,900 equity shares were allotted to Nishant Jairath, and 1,700 equity shares were allotted to Navita Jairath	Further issue	12,000	10	10.00	Cash
April 9, 1990^	7,500 equity shares were allotted to Navita Jairath	Further issue	7,500	10	10.00	Cash
January 1, 1992^	14,150 equity shares were allotted to Bikramjit Bembi and 200 equity shares were allotted to Ajit Singh Grewal	Further issue	14,350	10	10.00	Cash
November 15, 1994	58,300 equity shares were allotted to Bikramjit Bembi, 44,200 equity shares were allotted to Navneet Jairath, 2,600 equity shares were allotted to Bikramjit	Bonus issue	301,000	10	-	N.A.

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Bembi and Sons HUF, 2,600 equity shares were allotted to Navneet Jairath and Sons HUF, 26,300 equity shares were allotted to Navita Jairath, 51,900 equity shares were allotted to Savita Bembi, 35,000 equity shares were allotted to Sachin Bembi, 32,500 equity shares were allotted to Nishant Jairath, 20,600 equity shares were allotted to Sonia Bembi Seth, 15,500 equity shares were allotted to Nisha Jairath, 11,100 equity shares were allotted to Girish Duggal and 400 equity shares were allotted to Ajit Singh Grewal					
December 11, 1996	50 equity shares were allotted to Bikramjit Bembi, 7,200 equity shares were allotted to Navneet Jairath, 7,100 equity shares were allotted to Bikramjit Bembi and Sons HUF, 21,100 equity shares were allotted to Navneet Jairath and Sons HUF, 13,550 equity shares were allotted to Navita Jairath, 150 equity shares were allotted to Savita Bembi, 19,250 equity shares were allotted to Nishant Jairath, 50 equity shares were allotted to Nisha Jairath and 50 equity shares were allotted to Girish Duggal	Further issue	68,500	10	10.00	Cash
January 16, 1997	135,900 equity shares were allotted to Navneet Jairath, 131,250 equity shares were allotted to Bikramjit Bembi, 37,500 equity shares were allotted to Navneet Jairath and Sons HUF, 16,500 equity shares were allotted to Bikramjit Bembi and Sons HUF, 79,500 equity shares were allotted to Navita Jairath, 117,000 equity shares were allotted to Savita Bembi, 78,750 equity shares were allotted to Sachin Bembi, 102,000 equity shares were	Bonus issue	780,000	10	-	N.A.

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	allotted to Nishant Jairath, 46,350 equity shares were allotted to Sonia Bembi Seth, 34,950 equity shares were allotted to Nisha Jairath, 150 equity shares were allotted to Girish Duggal and 150 equity shares were allotted to Ajit Singh Grewal					
March 8, 2010	226,500 equity shares were allotted to Navneet Jairath, 218,750 equity shares were allotted to Bikramjit Bembi, 62,500 equity shares were allotted to Navneet Jairath and Sons HUF, 27,500 equity shares were allotted to Bikramjit Bembi and Sons HUF, 132,500 equity shares were allotted to Navita Jairath, 195,000 equity shares were allotted to Savita Bembi, 131,500 equity shares were allotted to Sachin Bembi, 170,250 equity shares were allotted to Nishant Jairath, 77,250 equity shares were allotted to Sonia Bembi Seth and 58,250 equity shares were allotted to Nisha Jairath	Bonus issue	1,300,000	10	-	N.A.
January 30, 2014	8,876 equity shares were allotted to Navneet Jairath, 17,752 equity shares were allotted to Navneet Jairath and Sons HUF, 8,876 equity shares were allotted to Bikramjit Bembi, 17,752 equity shares were allotted to Bikramjit Bembi and Sons HUF, 2,959 equity shares were allotted to Navita Jairath and 2,959 equity shares were allotted to Savita Bembi	Further issue	59,174	10	168.00	Cash
October 18, 2014	60,000 equity shares were allotted to Nisha Jairath	Rights issue	60,000	10	250.00	Cash
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹ 10 per equity share to 13,595,870 Equity Shares of face value of ₹ 2 per equity share.						
May 14, 2024	10,196,900 Equity Shares were allotted to Navneet Jairath, 10,196,900 Equity Shares were	Bonus issue	67,979,350	2	-	N.A.

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	allotted to Bikramjit Bembi, 3,568,925 Equity Shares were allotted to Navita Jairath, 3,568,925 Equity Shares were allotted to Savita Bembi, 13,765,825 Equity Shares were allotted to Sachin Bembi, 13,765,825 Equity Shares were allotted to Nishant Jairath, 6,458,025 Equity Shares were allotted to Sonia Bembi Seth and 6,458,025 Equity Shares were allotted to Nisha Jairath					

* Our Company was incorporated on May 16, 1986 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on May 20, 1986.

^ *Our Company has been unable to trace form 2 for return of allotment for such allotments. See "**Risk Factors – We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Punjab and Chandigarh at Chandigarh ("RoC Chandigarh"), Registrar of Companies, Madhya Pradesh at Gwalior ("RoC Gwalior") and the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC").**" on page 41.*

2. **Secondary transactions of Equity Shares**

The details of secondary transactions of Equity Shares by our Promoters and members of the Promoter Group (who are also Selling Shareholders) are set forth in the table below:

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)*	Issue price per equity share (₹)	Nature of consideration
April 23, 1990	1,000	Mukhtiar Singh Jagdish Singh HUF	Sonia Bembi Seth	Transfer	10	10.00	Cash
	1,000	Ajit Singh Harnail Singh HUF	Sachin Bembi	Transfer	10	10.00	Cash
	2,000	Madhu Kothari	Navita Jairath	Transfer	10	10.00	Cash
	1,000	Pritam Singh Harminder Singh HUF	Nishant Jairath	Transfer	10	10.00	Cash
	1,000	Darshan Singh Gurmeet Singh HUF	Nisha Jairath	Transfer	10	10.00	Cash
	2,000	Tejinder Paul Singh	Sachin Bembi	Transfer	10	10.00	Cash
	2,000	Veena Mittal	Sonia Bembi Seth	Transfer	10	10.00	Cash
September 26, 1996	16,600	Girish Duggal	Navneet Jairath	Transfer	10	10.00	Cash
	500	Ajit Singh Grewal	Navneet Jairath	Transfer	10	10.00	Cash
October 1, 2001	250	Girish Duggal	Sachin Bembi	Transfer	10	10.00	Cash
	250	Ajit Singh Grewal	Nishant Jairath	Transfer	10	10.00	Cash
March 20, 2021	30,000	Nisha Jairath	Navita Jairath	Gift	10	N.A.	-
April 1, 2021	30,000	Navita Jairath	Savita Bembi	Gift	10	N.A.	-
June 21, 2021	38,500	Bikramjit Bembi	Sachin Bembi	Gift	10	N.A.	-

	176,381	Savita Bembi	Sachin Bembi	Gift	10	N.A.	-
	103,821	Savita Bembi	Sonia Bembi Seth	Gift	10	N.A.	-
	54,000	Navneet Jairath	Nishant Jairath	Gift	10	N.A.	-
	13,381	Navita Jairath	Nishant Jairath	Gift	10	N.A.	-
	111,821	Navita Jairath	Nisha Jairath	Gift	10	N.A.	-
September 30, 2021	72,752	Bikramjit Bembi and Sons HUF	Sachin Bembi	Transmission	10	N.A.	-
	142,752	Navneet Jairath and Sons HUF	Nishant Jairath	Transmission	10	N.A.	-

* *Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹ 10 per equity share to 13,595,870 Equity Shares of face value of ₹ 2 per equity share.*

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

4. **Equity shares issued out of revaluation reserves or for consideration other than cash or by way of bonus issue**

Our Company has not issued any equity shares out of revaluation of reserves since incorporation or for consideration other than cash. Further, except as disclosed below, our Company has not issued any equity shares by way of bonus issue since its incorporation:

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
November 15, 1994	58,300 equity shares were allotted to Bikramjit Bembi, 44,200 equity shares were allotted to Navneet Jairath, 2,600 equity shares were allotted to Bikramjit Bembi and Sons HUF, 2,600 equity shares were allotted to Navneet Jairath and Sons HUF, 26,300 equity shares were allotted to Navita Jairath, 51,900 equity shares were allotted to Savita Bembi, 35,000 equity shares were allotted to Sachin Bembi, 32,500 equity shares were allotted to Nishant Jairath, 20,600 equity shares were allotted to Sonia Bembi Seth, 15,500 equity shares were allotted to Nisha Jairath, 11,100 equity shares were allotted to Girish Duggal and 400 equity shares were allotted to Ajit Singh Grewal	Bonus issue	301,000	10	N.A.	N.A.
January 16, 1997	135,900 equity shares were allotted to Navneet Jairath, 131,250 equity shares were allotted to	Bonus issue	780,000	10	N.A.	N.A.

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Bikramjit Bembi, 37,500 equity shares were allotted to Navneet Jairath and Sons HUF, 16,500 equity shares were allotted to Bikramjit Bembi and Sons HUF, 79,500 equity shares were allotted to Navita Jairath, 117,000 equity shares were allotted to Savita Bembi, 78,750 equity shares were allotted to Sachin Bembi, 102,000 equity shares were allotted to Nishant Jairath, 46,350 equity shares were allotted to Sonia Bembi Seth, 34,950 equity shares were allotted to Nisha Jairath, 150 equity shares were allotted to Girish Duggal and 150 equity shares were allotted to Ajit Singh Grewal					
March 8, 2010	226,500 equity shares were allotted to Navneet Jairath, 218,750 equity shares were allotted to Bikramjit Bembi, 62,500 equity shares were allotted to Navneet Jairath and Sons HUF, 27,500 equity shares were allotted to Bikramjit Bembi and Sons HUF, 132,500 equity shares were allotted to Navita Jairath, 195,000 equity shares were allotted to Savita Bembi, 131,500 equity shares were allotted to Sachin Bembi, 170,250 equity shares were allotted to Nishant Jairath, 77,250 equity shares were allotted to Sonia Bembi Seth and 58,250 equity shares were allotted to Nisha Jairath	Bonus issue	1,300,000	10	N.A.	N.A.
May 14, 2024	10,196,900 Equity Shares were allotted to Navneet Jairath, 10,196,900 Equity Shares were allotted to Bikramjit Bembi, 3,568,925 Equity Shares were allotted to Navita Jairath, 3,568,925 Equity Shares were allotted to Savita Bembi, 13,765,825 Equity Shares were allotted to Sachin	Bonus issue	67,979,350	2	N.A.	N.A.

Date of allotment	Name(s) of allottee(s)	Reason/ nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	Bembi, 13,765,825 Equity Shares were allotted to Nishant Jairath, 6,458,025 Equity Shares were allotted to Sonia Bembi Seth and 6,458,025 Equity Shares were allotted to Nisha Jairath					

5. **Issue of equity shares pursuant to allotment of shares pursuant to schemes of arrangement**

As on date of this Draft Red Herring Prospectus, our Company has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

6. **Issue of equity shares under employee stock option schemes**

Our Company has not issued any equity shares under an employee stock option scheme since incorporation. Our Company has not instituted any employee stock option scheme as on date of this Draft Red Herring Prospectus.

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

Except as disclosed above in "***Notes to Capital Structure – Equity share capital history of our Company***" on page 90, our Company has not issued any Equity Shares during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price.

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8. **Our shareholding pattern**

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

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+ (X) as a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights (X)	Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Total								
(A)	Promoter and Promoter Group	8	81,575,220	-	-	81,575,220	100	81,575,220	100.00	-	100.00	-	-	-	-	81,575,220
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	Shares underlying Custodian/Depository Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**8**	**81,575,220**	**-**	**-**	**81,575,220**	**-**	**81,575,220**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**81,575,220**

9. **Details of equity shareholding of the major shareholders of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has eight holders of Equity Shares.

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

S. No.	**Name of the Shareholder**	**Pre-Offer**	
		Number of Equity Shares	**Percentage of equity share capital (%)**
1.	Bikramjit Bembi	12,236,280	15.00
2.	Navneet Jairath	12,236,280	15.00
3.	Sachin Bembi	16,518,990	20.25
4.	Nishant Jairath	16,518,990	20.25
5.	Sonia Bembi Seth	7,749,630	9.50
6.	Nisha Jairath	7,749,630	9.50
7.	Savita Bembi	4,282,710	5.25
8.	Navita Jairath	4,282,710	5.25
	Total	**81,575,220**	**100.00**

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

S. No.	**Name of the Shareholder**	**Pre-Offer**	
		Number of Equity Shares	**Percentage of equity share capital (%)**
1.	Bikramjit Bembi	12,236,280	15.00
2.	Navneet Jairath	12,236,280	15.00
3.	Sachin Bembi	16,518,990	20.25
4.	Nishant Jairath	16,518,990	20.25
5.	Sonia Bembi Seth	7,749,630	9.50
6.	Nisha Jairath	7,749,630	9.50
7.	Savita Bembi	4,282,710	5.25
8.	Navita Jairath	4,282,710	5.25
	Total	**81,575,220**	**100.00**

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

S. No.	**Name of the Shareholder**	**Pre-Offer**	
		Number of equity shares	**Percentage of equity share capital (%)**
1.	Bikramjit Bembi	407,876	15.00
2.	Navneet Jairath	407,876	15.00
3.	Sachin Bembi	550,633	20.25
4.	Nishant Jairath	550,633	20.25
5.	Sonia Bembi Seth	258,321	9.50
6.	Nisha Jairath	258,321	9.50
7.	Savita Bembi	142,757	5.25
8.	Navita Jairath	142,757	5.25
	Total	**2,719,174**	**100.00**

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

S. No.	**Name of the Shareholder**	**Pre-Offer**	
		Number of equity shares	**Percentage of equity share capital (%)**
1.	Bikramjit Bembi	407,876	15.00
2.	Navneet Jairath	407,876	15.00
3.	Sachin Bembi	550,633	20.25
4.	Nishant Jairath	550,633	20.25
5.	Sonia Bembi Seth	258,321	9.50

S. No.	Name of the Shareholder	Pre-Offer	
		Number of equity shares	Percentage of equity share capital (%)
6.	Nisha Jairath	258,321	9.50
7.	Savita Bembi	142,757	5.25
8.	Navita Jairath	142,757	5.25
	Total	**2,719,174**	**100.00**

10. **History of the share capital held by our Promoters and the members of our Promoter Group in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 57,510,540 Equity Shares, constituting 70.50% of the issued, subscribed and paid-up equity share capital of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters, along with the members of our Promoter Group hold 81,575,220 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up equity share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form.

(a) Shareholding of our Promoters and the members of our Promoter Group

Set forth below is the equity shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer		Post-Offer*	
		No. of Equity Shares held	% of Equity Share capital	No. of Equity Shares held	% of Equity Share capital
Promoters (also the Promoter Selling Shareholders)					
1.	Bikramjit Bembi	12,236,280	15.00	[●]	[●]
2.	Navneet Jairath	12,236,280	15.00	[●]	[●]
3.	Sachin Bembi	16,518,990	20.25	[●]	[●]
4.	Nishant Jairath	16,518,990	20.25	[●]	[●]
Sub-total (A)		**57,510,540**	**70.50**	[●]	[●]
Promoter Group (also the Promoter Group Selling Shareholders)					
5.	Nisha Jairath	7,749,630	9.50	[●]	[●]
6.	Sonia Bembi Seth	7,749,630	9.50	[●]	[●]
7.	Navita Jairath	4,282,710	5.25	[●]	[●]
8.	Savita Bembi	4,282,710	5.25	[●]	[●]
Sub-total (B)		**24,064,680**	**29.50**	[●]	[●]
Total (A+B)		**81,575,220**	**100.00**	[●]	[●]

* *To be updated at the Prospectus stage. Subject to finalization of basis of Allotment.*

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

The build-up of the equity shareholding of our Promoters, since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/transfer price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital*
Bikramjit Bembi							
May 16, 1986**	100	10	10.00	Initial subscription to the Memorandum of Association	Cash	Negligible	[●]
September 10, 1987	14,900	10	10.00	Further issue	Cash	0.09	[●]
January 1, 1992	14,150	10	10.00	Further issue	Cash	0.09	[●]
November 15, 1994	58,300	10	N.A.	Bonus issue	N.A.	0.36	[●]
December 11, 1996	50	10	10.00	Further issue	Cash	Negligible	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/transfer price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital*
January 16, 1997	131,250	10	N.A.	Bonus issue	N.A.	0.80	[●]
March 08, 2010	218,750	10	N.A.	Bonus issue	N.A.	1.34	[●]
January 30, 2014	8,876	10	168.00	Further issue	Cash	0.05	[●]
June 21, 2021	(38,500)	10	Nil	Gift from Bikramjit Bembi to Sachin Bembi	NA	(0.24)	[●]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Bikramjit Bembi was sub-divided from 407,876 equity shares of face value of ₹ 10 per equity share to 2,039,380 Equity Shares of face value of ₹ 2 per equity share.							
May 14, 2024	10,196,900	2	N.A.	Bonus issue	N.A.	12.50	[●]
Total (A)	**12,236,280**					**15.00**	**[●]**
Navneet Jairath							
May 16, 1986*	100	10	10.00	Initial subscription to the Memorandum of Association	Cash	Negligible	[●]
September 10, 1987	17,000	10	10.00	Further issue	Cash	0.10	[●]
December 30, 1989	5,000	10	10.00	Further issue	Cash	0.03	[●]
November 15, 1994	44,200	10	N.A.	Bonus issue	N.A.	0.27	[●]
September 26, 1996	500	10	10.00	Transfer from Ajit Singh Grewal to Navneet Jairath	Cash	Negligible	[●]
September 26, 1996	16,600	10	10.00	Transfer from Girish Duggal to Navneet Jairath	Cash	0.10	[●]
December 11, 1996	7,200	10	10.00	Further issue	Cash	0.04	[●]
January 16, 1997	135,900	10	N.A.	Bonus issue	N.A.	0.83	[●]
March 08, 2010	226,500	10	N.A.	Bonus issue	N.A.	1.39	[●]
January 30, 2014	8,876	10	168.00	Further issue	Cash	0.05	[●]
June 21, 2021	(54,000)	10	Nil	Gift from Navneet Jairath to Nishant Jairath	N.A.	(0.33)	[●]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Navneet Jairath was sub-divided from 407,876 equity shares of face value of ₹ 10 per equity share to 2,039,380 Equity Shares of face value of ₹ 2 per equity share.							
May 14, 2024	10,196,900	2	N.A.	Bonus issue	N.A.	12.50	[●]
Total (B)	**12,236,280**					**15.00**	**[●]**
Sachin Bembi							
September 10, 1987	8,700	10	10.00	Further issue	Cash	0.05	[●]
April 03, 1990	5,800	10	10.00	Further issue	Cash	0.04	[●]
April 23, 1990	1,000	10	10.00	Transfer from Ajit Singh Harnail Singh HUF to Sachin Bembi	Cash	0.01	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/transfer price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital*
April 23, 1990	2,000	10	10.00	Transfer from Tejinder Paul Singh to Sachin Bembi	Cash	0.01	[●]
November 15, 1994	35,000	10	N.A.	Bonus issue	N.A.	0.21	[●]
January 16, 1997	78,750	10	N.A.	Bonus issue	N.A.	0.48	[●]
October 1, 2001	250	10	10.00	Transfer from Girish Duggal to Sachin Bembi	Cash	Negligible	[●]
March 8, 2010	131,500	10	N.A.	Bonus issue	N.A.	0.81	[●]
June 21, 2021	38,500	10	Nil	Gift from Bikramjit Bembi to Sachin Bembi	NA	0.24	[●]
June 21, 2021	176,381	10	Nil	Gift from Savita Bembi to Sachin Bembi	NA	1.08	[●]
September 30, 2021	72,752	10	Nil	Transmission due to dissolution of Bikramjit Bembi and Sons HUF	NA	0.45	[●]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 equity shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Sachin Bembi was sub-divided from 550,633 equity shares of face value of ₹ 10 per equity share to 2,753,165 Equity Shares of face value of ₹ 2 per equity share.							
May 14, 2024	13,765,825	2	N.A.	Bonus issue	N.A.	16.88	[●]
Total (C)	**16,518,990**					**20.25**	**[●]**
Nishant Jairath							
September 10, 1987	11,350	10	10.00	Further issue	Cash	0.07	[●]
April 3, 1990	3,900	10	10.00	Further issue	Cash	0.02	[●]
April 23, 1990	1,000	10	10.00	Transfer from Pritam Singh Harminder Singh HUF to Nishant Jairath	Cash	0.01	[●]
November 15, 1994	32,500	10	N.A.	Bonus issue	N.A.	0.20	[●]
December 11, 1996	19,250	10	10.00	Further issue	Cash	0.12	[●]
January 16, 1997	102,000	10	N.A.	Bonus issue	N.A.	0.63	[●]
October 1, 2001	250	10	10.00	Transfer from Ajit Singh Grewal to Nishant Jairath	Cash	Negligible	[●]
March 8, 2010	170,250	10	N.A.	Bonus issue	N.A.	1.04	[●]
June 21, 2021	13,381	10	Nil	Gift from Navita Jairath to Nishant Jairath	N.A.	0.08	[●]
June 21, 2021	54,000	10	Nil	Gift from Navneet Jairath to Nishant Jairath	N.A.	0.33	[●]
September 30, 2021	142,752	10	Nil	Transmission due to dissolution of Navneet Jairath and Sons HUF	N.A.	0.87	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/transfer price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital*
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Nishant Jairath was sub-divided from 550,633 equity shares of face value of ₹ 10 per equity share to 2,753,165 Equity Shares of face value of ₹ 2 per equity share.							
May 14, 2024	13,765,825	2	N.A.	Bonus issue	N.A.	16.88	[●]
Total (D)	**16,518,990**					**20.25**	**[●]**
Total (A+B+C+D)	**57,510,540**					**70.50**	**[●]**

* *To be updated at the Prospectus stage. Subject to finalization of basis of Allotment*

*** Our Company was incorporated on May 16, 1986. The date of subscription to the Memorandum of Association was May 16, 1986 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on May 20, 1986.*

11. **Details of Lock-in**

Details of Promoters' contribution and lock-in

(a) Pursuant to Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer equity share capital of our Company as held by our Promoters, shall be considered as minimum Promoters' contribution and locked-in for a period of three years from the date of Allotment or any other period as may be prescribed under applicable law. Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment. Our Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the post-Offer equity share capital of our Company as the Promoters' contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing 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.

(b) Set forth below are the details of the Equity Shares that will be locked-in as minimum Promoters' contribution from the date of Allotment:

Name of Promoter	No. of Equity Shares held	No. of Equity Shares Locked-in(1)	Date of allotment/ acquisition	Nature of the allotment/ transaction	Face value Per equity share (₹)	Issue price/ acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post Offer paid-up capital (%)
[●]			[●]	[●]	[●]	[●]	[●]	[●]
Total							**[●]**	**[●]**

Note: To be updated at the Prospectus stage and subject to finalization of basis of allotment.

(1) All the equity shares were fully paid-up on the respective dates of allotment of such equity shares. All Equity Shares locked-in as part of minimum Promoters' contribution above will be subject to lock-in until the date falling three years from the date of Allotment in the Offer.

(c) 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 this connection, it is confirmed that :

(i) the Equity Shares offered for minimum Promoters' contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets; or (b) which have resulted from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

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

(iii) the Equity Shares forming part of the Promoters' contribution are not subject to any pledge with any creditor.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company 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 limited liability partnership.

Further, all the Equity Shares held by the Promoters are held in dematerialized form.

Details of Equity Shares locked-in for six months

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 in the Offer, except: (a) the Promoters' contribution and any Equity Shares held by our Promoters in excess of Promoters' contribution which shall be locked in as disclosed in "- Details of Lock-in - ***Details of Promoters' contribution and lock-in***" on page 103; and (b) Offered Shares, which are successfully sold and transferred as part of the Offer for Sale.

Lock-in of Equity Shares Allotted to Anchor Investors

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

Other Requirements in respect of Lock-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository. Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

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: (a) as Promoters' Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such loan has been granted for the purpose of financing one or more of the objects of the Offer, and pledge of the Equity Shares is one of the terms of the sanctioned loan; and (b) in excess of the Promoters' Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that pledge of the Equity Shares is one of the terms of the sanctioned 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 which are locked-in, may be transferred to Promoters or members of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations, as applicable.

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

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

S. No.	Name of the Director (also Key Managerial Personnel)	Number of Equity Shares	Percentage of pre-Offer equity share capital (in %)
1.	Bikramjit Bembi	12,236,280	15.00
2.	Navneet Jairath	12,236,280	15.00
3.	Sachin Bembi	16,518,990	20.25
4.	Nishant Jairath	16,518,990	20.25
	Total	**57,510,540**	**70.50**

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

14. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective affiliates or associates 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 or the Selling Shareholders or their respective affiliates or associates for which they may have received, and may in future receive compensation.

15. Except as disclosed in "***Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company***" on page 100, none of our Promoters, members of our Promoter Group, our Directors or any of their relatives have sold or purchased any Equity Shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

16. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

17. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for purchase of the specified securities of the issuer.

18. No person connected with the Offer, including our Company, the Selling Shareholders, the members of the Syndicate, 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.

19. 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. The Equity Shares to be Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.

20. There are no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into, or which would entitle any person any option to receive, Equity Shares as on the date of this Draft Red Herring Prospectus.

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

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

23. Our Company is in compliance with the Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus. Our Company has been unable to trace form 2 for returns of allotment for certain allotments. For details see "***Risk Factors – We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Punjab and Chandigarh at Chandigarh ("RoC Chandigarh"), Registrar of Companies, Madhya Pradesh at Gwalior ("RoC Gwalior") and the Registrar***

of Companies, Delhi and Haryana at New Delhi ("RoC"). " on page 41.

24. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares or otherwise.

25. The BRLMs, and any person related to the BRLMs cannot apply in the Offer under the Anchor Investor Category, except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or an FPI (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 sponsored by entities which are associates of the BRLMs.

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

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] equity shares of face value ₹ 2, aggregating up to ₹ 3,500.00 million by our Company and an Offer for Sale of up to 12,636,162 equity shares of face value ₹ 2 aggregating up to ₹ [●] million by the Selling Shareholders. See "***Summary of this Draft Red Herring Prospectus – Offer Size***" and "***The Offer***" on pages 19 and 74, respectively.

Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds. See '- ***Offer related expenses***' on page 119.

Object of the Fresh Issue

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, the "**Objects**"):

1. part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2;
2. repayment/pre-payment, in part or full of certain borrowings of our Company and Metalman Micro Turners; and
3. general corporate purposes.

In addition, we expect to achieve the benefit of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's visibility and brand name amongst our existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects clause and matters necessary for furtherance of the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities for which the funds are being raised by us pursuant to the Fresh Issue.

Net Proceeds

After deducting the Offer-related expenses from the Gross Proceeds, we estimate the net proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The details of the Net Proceeds of the Offer are summarized in the table below:

S. No	Particulars	Estimated Amount (in ₹ million)
1.	Gross Proceeds of the Fresh Issue	Up to ₹ 3,500.00 million
2.	Less: Offer Expenses in relation to the Fresh Issue(1)	[●](1)(2)
3.	**Net Proceeds**	[●](2)

*(1) See "– **Offer Related Expenses**" on page 119.*
(2) To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing of the RoC.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below.

Particulars	Amount (in ₹ million)	Percentage of Net Proceeds (%)*
Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2	250.00	[●]
Repayment/pre-payment, in part or full, of certain borrowings of our Company and Metalman Micro Turners	2,400.00	[●]
General corporate purposes**	[●]	[●]
Total Net Proceeds*	[●]	**100.00**

** To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing of the RoC.*
*** The amount to be spent towards general corporate purposes will be finalised upon determination of the 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.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes 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	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Financial Year 2025	Amount to be deployed from the Net Proceeds in Financial Year 2026
1.	Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2	287.35	250.00	125.00	125.00
2.	Repayment/pre-payment, in part or full, of certain borrowings of our Company and Metalman Micro Turners	2,400.00	2,400.00	2,400.00	-
3.	General corporate purposes*	[●]	[●]	[●]	[●]
	Total Net Proceeds*	[●]	[●]	[●]	[●]

* *The amount to be spent towards general corporate purposes will be finalised upon determination of the 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.*

The above-stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on: (a) our current business plan and internal management estimates based on current market conditions; (b) valid quotations obtained from various third-party vendors and (c) certificate dated August 12, 2024 from the Statutory Auditors certifying the utilization of the borrowings proposed to be repaid/pre-paid out of the Net Proceeds for the purposes such borrowings as of June 30, 2024, which are subject to change in the future. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. See "***Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by a bank or a financial institution, and may be subject to change based on various factors, some of which are beyond our control. Further, any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval***" on page 61. Our Company's historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the deployment of funds from at the discretion of our management, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations. Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilization out of the Net Proceeds in Financial Year 2025 as scheduled being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in the immediately subsequent Financial Year, i.e., Financial Year 2026, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of the Objects of the Fresh Issue

1. ***Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2***

As on the date of this Draft Red Herring Prospectus, we primarily manufacture our products in-house at our nine manufacturing units across five states in India, which are strategically located in proximity to our OEM customers. Our Pithampur Manufacturing Unit 2, situated at Plot No. 502, 503 and 504, Industrial Growth Centre Pithampur, Sector-3, Dhar 431 136, Madhya Pradesh, India commenced operations in 1986. Pithampur Manufacturing Unit 2 is currently engaged in the production of components for OHV and PV OEM customers and has installed capacity available for the Financial Year 2024 of 10,035 tonnes for heavy fabrication, 8,700 pieces for cabin fabrication and 2,150,000 strokes for bending machine, which recorded capacity utilization of 69.49%, 64.31% and 43.24%, respectively, of its capacity in Financial Year 2024. For details in relation to the Pithampur Manufacturing Unit 2, including in respect of its capacity and capacity utilization see "***Our Business – Manufacturing Units – Capacity and Capacity Utilisation***". On an ongoing basis, we invest in the procurement of equipment, which is utilized by us in carrying out our business, based on the production schedule provided by our customers and the future requirements estimated by our management. Further, one of our growth strategies is capitalising on growth in the OHV and CV sectors, as detailed in "***Our Business – Our Strategies – Capitalising on growth in the off-highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix***" on page 263. In this regard, we aim to utilize an aggregate of ₹ 250.00 million from the Net Proceeds towards funding the capital expenditure towards procurement and installation of plant and machinery to set up additional automated manufacturing processes and thereby enhance our production capacity for products catering to the OHV and CV sectors.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for procurement of plant and machinery at our Pithampur Manufacturing Unit 2, as described hereinabove, are based on our current estimates, the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements and the details of our plant and machinery to be procured from the Net Proceeds will be suitably updated at the time of filing of the Red Herring Prospectus with the RoC.

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An indicative list of plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

S. No.	Description of Equipment	Name of the vendor	Country	Date of the quotation	Validity of the quotation (from the date of the quotation)	Rate (₹ unless specified)	Quantity (nos. unless specified)	Total Cost (₹ million)	Estimated delivery time as per quotation
1.	CNC fiber laser maha laser machine model ML 6360 - 6 KW laser source	Proteck Machinery Private Limited	India	July 9, 2024	One year	29,000,000	1	29.00	4 to 5 months from the date of purchase order along with the advance payment
2.	CNC fiber laser maha laser machine model ml 4030 - 3 KW laser source	Proteck Machinery Private Limited	India	July 9, 2024	One year	21,000,000	1	21.00	5 months from the date of purchase order along with the advance payment
3.	High Power Robot *comprising:*	Panasonic Smart Factory Solutions India (A division company of Panasonic Life Solutions India Private Limited)	India	July 9, 2024	One year	4,395,000 *comprising:*	8	35.16 *comprising:*	After confirmation of purchase order and payment, 3 to 3.5 months shipment
	- High power robot with controller with 450 ampere welding power source					3,120,000		24.96	
	- Positioner 1,500 KG					1,275,000		10.20	
4.	Double column machining center model FD 1842+5F	Hosabettu Heavy Machinery LLP	Taiwan	July 5, 2024	One year	385,500 USD[#]	2	64.56	150 to 180 days from the date of advance receipt
5.	CNC hydraulic brake pro bend - HF 2530	Proteck Machinery Private Limited	India	July 5, 2024	One year	25,000,000	1	25.00	4 months from the date of purchase order along with the advance payment
6.	5.0 ton double girder type EOT crane with crab unit *comprising:*	S. Crane Engg. Works	India	July 5, 2024	One year	2,273,000 *comprising:*	3	6.82 *comprising:*	6 to 8 weeks after the receipt of purchase order, advance and approved drawing whichever is later
	Accessories: - End-carriage arrangement - Long travel assembly - Bridge - Crab arrangement. - Brake and limit switch for hoisting,					2,120,000		6.36	

	cross travel and long travel - cross travel festoon system - VFD in all motion - Full length platform and two end platform								
	- Supply of GI-4 way insulated power bars					28,000		0.08	
	- Supply of runway rail along the length of the - shed both side					63,000		0.19	
	- Ladder arrangement for 7 metres lift (2 nos.)					62,000		0.19	
7.	10.0 ton double girder type EOT crane with crab unit *comprising:*	S. Crane Engg. Works	India	July 5, 2024	One year	3,058,000 *comprising:*	3	9.17 *comprising:*	6 to 8 weeks after the receipt of purchase order, advance and approved drawing whichever is later
	Accessories: - End-carriage arrangement. - Long travel assembly. - Bridge. - Crab Arrangement. - Brake and limit switch for hoisting, cross travel and long travel. - Cross travel festoon system. - VFD in all motion - Full length platform and two end platform					2,870,000		8.61	
	- Supply of GI-4 way insulated power bars					28,000		0.08	
	- Supply of runway					98,000		0.29	

	- rail along the length of the shed both side								
	- Ladder arrangement for 7 metres lift (2 nos.)					62,000		0.19	
8.	Robot AR2010 with Fronius TPS500i *comprising*:	Horst Engineering Private Limited	India	July 9, 2024	One year	4,900,000 *comprising*:	2	9.80 *comprising*:	10 to 12 weeks against invoice
	Robot model: AR2010					3,500,000		7.00	
	Positioner 1,500 Kg					1,400,000		2.80	
9.	Robotic welding automation system *comprising*:	PARC Robotic Systems Private Limited	India	July 10, 2024	One year	-	-	74.34 *comprising*:	12 to 14 weeks after receipt of techno – commercial clear confirmed purchase order along with advance
	Heavy structure sub assembly					2,250,000	16	36.00	
	Mig welding robotic Cell					4,400,000	8	35.20	
	Packing					392,000	-	0.39	
	Transportation					1,568,000	-	1.57	
	Installation and commissioning					1,176,000	-	1.18	
10.	Blast room for fabricated with dust collector	DISA India Limited	India	July 10, 2024	One year	12,500,000	1	12.50	6 to 7 months form the date of receipt of techno commercially clear order and advance.
							Total	**287.35**	

Such quotation are denominated in currencies other than ₹, i.e. USD, and have been presented as converted taking into account foreign exchange rate as of July 29, 2024: USD 1.00 = ₹ 83.74 (Source: www.fbil.org).

As on the date of this Draft Red Herring Prospectus, orders for procurement of plant and machinery at Pithampur Manufacturing Unit 2, are yet to be placed. The quotations in relation to the equipment are valid as on the date of this Draft Red Herring Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, octroi, entry tax, customs duty, GST and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs, or any additional costs attributable to other reasons, including pursuant to prevailing foreign exchange conversion rates, shall be funded from the internal accruals of the Company, as required.

We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to *inter alia* any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such plant and machinery according to the business requirements of our Company and based on estimates of our management. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

Further, our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed procurement of plant and machinery or in the entities from whom we have obtained quotations in relation to such proposed procurement of plant and machinery.

Means of finance

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards capital expenditure in the Pithampur Manufacturing Unit 2. We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) 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. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like nonconvertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

Government and other approvals

Pithampur Manufacturing Unit 2 is already in operation and hence, the licenses and approvals that we have obtained in relation thereto, such as, license under Factories Act and environmental approvals, adequately cover the enhancement in capacity pursuant to the proposed procurement of plant and machinery. While we do not require any further licenses/approvals from any governmental authorities for such procurement of plant and machinery, we will apply for any approvals that we may require at future relevant stages. See "***Government and Other Approvals***" on page 451.

2. Repayment/prepayment of certain indebtedness availed by our Company and Metalman Micro Turners

Our Company and Metalman Micro Turners have entered into various financing arrangements with banks and financial institutions. Our Company and Metalman Micro Turners avail fund based, and non-fund based facilities in the ordinary course of our business for purposes such as, *inter alia,* capital expenditure and meeting our working capital requirements or business requirements. As of June 30, 2024, the aggregate amount of our outstanding borrowings was ₹ 3,144.27 million. See "***Financial Indebtedness***" on page 442.

Our Company proposes to utilize an estimated amount of ₹ 2,400.00 million from the Net Proceeds towards full or partial repayment/prepayment of all or a portion of certain borrowings availed by our Company and Metalman Micro Turners. The repayment/prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. Our Company may choose to repay/prepay certain borrowings availed further by our Company and Metalman Micro Turners and/or draw down further funds under existing loans, other than those identified in the table below, which may include additional borrowings availed after the filing of this Draft Red Herring Prospectus.

Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of borrowing and the terms of repayment/prepayment, the aggregate outstanding borrowing amount may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds. 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. Our Company and Metalman Micro Turners may choose to repay/prepay additional borrowings availed by our Company and Metalman Micro Turners, other than those identified in the table below, which may include additional borrowings availed after the filing of this Draft Red Herring Prospectus. Further, Our Company and Metalman Micro Turners may repay/ prepay or refinance the loans identified in this Draft Red Herring Prospectus with loan(s) from one or more financial institutions basis appropriate recommendations made by the management in the ordinary course of business prior to completion of the Offer, and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. If at the time of Allotment, any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities are availed by our Company, then our Company may utilise the Net Proceeds for prepayment/repayment of any such refinanced facilities or repayment of any additional facilities/disbursements obtained by our Company and Metalman Micro Turners. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/prepayment of certain borrowings, in part or in full, would not exceed ₹ 2,400.00 million.

In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or additional/other loans as the case may be which have been availed by us. Further, in the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/pre-paid by our Company in the respective immediately subsequent Financial Years.

The following table provides details of certain borrowings availed by our Company and Metalman Micro Turners as on June 30, 2024, out of which our Company proposes to pre-pay or repay, in full or in part, up to an amount aggregating to ₹ 2,400.00 million from the Net Proceeds:

(*The remainder of this page is intentionally left blank)*

Name of the lender	Nature of the facility	Amount sanctioned (₹ in million)	Amount outstanding as on June 30, 2024 (₹ in million)	Interest rate as on June 30, 2024	Tenor/ Repayment Schedule	Prepayment penalty conditions	Purpose for which loan was sanctioned as mentioned in the underlying sanction letter/ loan agreement	Purpose for which amount was utilized
Company								
Axis Bank Limited	Term Loan	300.00	220.75	9.30%	Quarterly payments starting from June, 2021 and ending on December, 2028	Within 24 months from the date of disbursement. In case of prepayment, in full or in part by the Company, the lender will be entitled to charge prepayment premium of 2% on the amount prepaid. After 24 months from date of disbursement: Nil.	The term loan was availed from Axis Bank for the purpose of repayment of term loans from IndusInd Bank which was taken over of original term loans from HDFC Bank and Bajaj Finance Limited amounting to ₹ 805.71 million and ₹ 250.00 million respectively. The purpose of original term loans was capital expenditure for manufacturing unit at Hosur, Tamil Nadu.	Take over of loan from IndusInd Bank
Bajaj Finance Limited	Term Loan	350.00 (Original sanctioned amount is Rs. 500.00 million. modified on February 20, 2024)	350.00	9.90%	72 months including 18 months moratorium from date of first disbursement.	No prepayment allowed for 24 months from date of first disbursement i.e., March 28, 2023, nil thereafter.	For Investment in Metalman Micro Turners and buyout of share of other partners i.e., Sachin Kapoor and Bindiya Narang.	For Investment in Metalman Micro Turners and buyout of share of other partners i.e., Sachin Kapoor and Bindiya Narang.
	PO Finance	250.00	243.00	8.45%	Repayable on demand	No prepayment penalty	Working capital facility	Working capital facility
HDFC Bank Limited	Working capital term loan under ECGLS	40.00	17.39	9.00%	60 months with moratorium of 12 months.	No prepayment penalty	To augment working capital requirement to enable business unit to meet operating liabilities and restart/ increase operations.	Working capital requirements

	Working capital term loan under ECGLS	120.00	120.00	9.00%	72 months with moratorium of 24 months.	No prepayment penalty	To augment working capital requirement to enable business unit to meet operating liabilities and restart/ increase operations.	Working capital requirements
	Working capital term loan under ECGLS	200.00	116.52	9.00%	60 months with moratorium of 12 months.	No prepayment penalty	To augment working capital requirement to enable business unit to meet operating liabilities and restart/ increase operations.	Working capital requirements
	Term Loan	250.00	205.36	8.45%	28 equal quarterly instalments starting from June 28, 2023.	As mutually Agreed from time to time	For reimbursement of Capex	For reimbursement of Capex
	Term Loan	300.00	300.00	8.70%	20 equal quarterly instalments starting from June 29, 2025 with moratorium of 12 months.	Nil foreclosure charges for 40% of loan outstanding out of IPO proceeds and 1% foreclosure charges for balance 60% of loan outstanding.	For reimbursement of Capex.	For reimbursement of Capex.
	Home Loan	147.60	146.10	8.30%	238 months starting from January 20, 2024	2% plus applicable taxes/ statutory levies of the amount being so prepaid.	Purchase of Property (Home Loan)	Purchase of Property (Home Loan)
	Term Loan	750.00	548.78	9.30%	8 years 2 months from the first disbursement (last repayment date is March 31, 2029).	Within 24 months from the date of disbursement. In case of prepayment, in full or in part by	The term loan was availed from Axis Bank for the purpose of repayment of term loans from IndusInd Bank which was taken over of original term loans from	Take over of loan from IndusInd Bank

						the Company, the lender will be entitled to charge prepayment premium of 2% on the amount prepaid. After 24 months from date of disbursement: Nil.	HDFC Bank and Bajaj Finance Limited amounting to ₹ 805.71 million and ₹ 250.00 million respectively. The purpose of original term loans was capital expenditure for manufacturing unit at Hosur, Tamil Nadu.	
	Working capital	250.00	125.00	8.35%	90 Days	No prepayment penalty	For working capital	For working capital
	Cash Credit	290.00	220.19	9.00%	Repayable on demand	No prepayment penalty	Working capital facility	Working capital facility
Metalman Micro Turners								
HDFC Bank Limited	Term Loan	150.00	90.00	Floating: 1 Year MCLR + 0.55%	72 months	As mutually Agreed from time to time	For reimbursement of Capex	For reimbursement of Capex
HDFC Bank Limited	Term Loan (ECLGS)	160.00	70.00	Floating: EBLR + 0%	60 months	No prepayment penalty shall be charged	Working Capital Term Loan under Emergency Credit Line Guaranteed Scheme (ECLGS)	Working Capital Term Loan under Emergency Credit Line Guaranteed Scheme (ECLGS)
HDFC Bank Limited	Term Loan	100.00	95.00	Floating: 3M T-Bill +1.80%	60 months	Nil foreclosure charges for prepayment of 40% of the outstanding loan amount and 1% foreclosure charges for balance 60%	For reimbursement of Capex	For reimbursement of Capex
	Total	**3,407.60**	**2,743.09**					

To the extent our Company deploys the Net Proceeds in Metalman Micro Turners, for the purpose of prepayment or repayment of all or a portion of the above borrowings, it shall be in the form of capital contribution and/or debt, including loans, as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

In compliance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors pursuant to their certificate dated August 12, 2024, backed-up by the certificate dated August 12, 2024 issued by the auditors of Metalman Micro Turners for the borrowings availed and utilised by Metalman Micro Turners, have certified the utilization of the above-mentioned borrowings for the purposes such borrowings as of June 30, 2024. As highlighted above, an amount of ₹ 2,400.00 million is proposed to be utilized towards payment of the outstanding amount under such borrowings. The borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The selection and extent of the borrowings proposed to be prepaid and/or repaid as mentioned in the table above, is not determined and our Company may utilize the Net Proceeds to prepay and/or repay the facilities disclosed above in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/or repayment.

For the purposes of the Offer, our Company and Metalman Micro Turners have intimated and have obtained necessary consents from our lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company or Metalman Micro Turners, amendment to the Articles of Association of our Company, etc.

As mentioned above, we propose to repay or pre-pay certain loans availed from Axis Bank Limited from the Net Proceeds. While Axis Bank Limited is an affiliate of Axis Capital Limited, one of our BRLMs, they are not an associate of our Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Further, such loans sanctioned to our Company by Axis Bank Limited are part of their normal commercial lending activities and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. For details, see "***Risk Factors* - *A portion of the Net Proceeds is proposed to be utilised for repayment or pre-payment, in full or part, of a loan availed by our Company from Axis Bank Limited, which is an affiliate of Axis Capital Limited, one of the Book Running Lead Managers to the Offer.***" on page 51.

For details in relation to the terms and conditions under the aforesaid loan agreements as well as restrictive covenants in relation thereto, see "***Financial Indebtedness***" and "***Risk Factors – We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements.***" on pages 442 and 68, respectively.

3. General corporate purposes

The Net Proceeds will first be utilized towards: (i) part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2; and (ii) reepayment/pre-payment, in part or full, of certain borrowings of our Company and Metalman Micro Turners, and subject thereto, our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, but are not restricted to, the following:

i. funding growth opportunities;
ii. business development and customer acquisition initiatives;
iii. investment in technology initiatives, including in design capabilities;
iv. employee and personnel expenses;
v. strategic initiatives including inorganic expansion;
vi. meeting ongoing general corporate exigencies or contingencies; and/or

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.

The allocation or quantum of utilisation of funds towards the specific purposes described above will 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. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Bridge Financing

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. Our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers, or inter-corporate deposits, pending receipt of the Net Proceeds.

Monitoring of Utilisation of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds, prior to the filing of the Red Herring Prospectus, as our size of the Offer (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000.00 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds. 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 the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised if any, of such currently unutilised Gross Proceeds. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds.

On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The annual statement shall be certified by the statutory auditor of our Company. Furthermore, 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 (which will be placed before the Audit Committee for review prior to submission to the Stock Exchanges) indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above.

Offer related expenses

Other than (I) (a) listing fees, (b) stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, (c) audit fees (other than arising solely from the Offer), (d) fees in relation to marketing and advertising (other than arising solely in relation to the Offer) which will be solely borne by our Company, and (II) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders; all costs, charges, fees and expenses with respect to the Offer (including all applicable taxes except securities transaction tax, which shall be solely borne by the respective Selling Shareholder), including corporate advertisements in relation to the Offer (as mutually agreed between our Company and the Selling Shareholders), issue advertising, printing, road show expenses, accommodation and travel expenses, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the syndicate members, SCSBs, sponsor bank and other consultants and advisors, stamp, registration, costs for execution and enforcement of the Transactions Agreements, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors arising solely in relation to the Offer, shall be shared among our Company and each of the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All expenses relating to the Offer shall be made by our Company in the first instance, and each of the Selling Shareholders agree that they shall, severally and not jointly, reimburse our Company in proportion to their respective proportion of the Offered Shares, for any expenses incurred by our Company on behalf of such Selling Shareholder, in accordance with Applicable Laws. The fees of the BRLMs shall be paid directly from the Public Offer Account(s) where the proceeds of the Offer have been received, and immediately upon receipt of final listing and trading approvals from the Stock Exchanges, in the manner as may be set out in the Cash Escrow And Sponsor Bank Agreement.

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of the Offer include, amongst others, listing fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer shall be borne by our Company and the Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, including but not limited to, the fees and expenses of the BRLMs and the legal counsels in relation to the Offer, in such manner as agreed.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage underwriting and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others including but not limited to (i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses; (ii) Printing and distribution of stationery; (iii) Advertising and marketing expenses; (iv) Fees payable to legal counsel; (v) Fees payable to other advisors to the Offer, including but not limited to Statutory Auditors, Independent Chartered Accountant, industry service provider and independent chartered engineer; and (vi) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

(1) *Selling commission payable to the SCSBs on the portion for RIIs and NIIs which are directly procured by the SCSBs, would be as follows:*

*Portion for RIIs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(2) *No processing fees shall be payable by our Company and the Promoter Selling Shareholder to the SCSBs on the applications directly procured by them.*

Processing fees payable to the SCSBs on the portion for RIIs and NIIs (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIIs and NIIs**	*₹[●] per valid application (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above ₹ 0.5 million would be ₹ [●] plus applicable taxes, per valid application.*

(3) *Selling commission on the portion for RIIs (upto ₹ 0.2 million) and NIIs which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked*

online trading, demat and bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for RIIs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*[●]%of the Amount Allotted* (plus applicable taxes)*

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

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined (i) for RIIs and NIIs (upto ₹ 0.5 million), 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; and (ii) for NIIs (above ₹ 0.5 million), Syndicate ASBA Form bearing SM Code and Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ [●] per valid application (plus applicable taxes).

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

Selling commission / bidding charges payable to the Registered Brokers on the portion for RIIs procured through UPI Mechanism and NIIs which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIIs and NIIs	*₹ [●] per valid application (plus applicable taxes)*

Bidding charges / processing fees for applications made by UPI Bidders would be as under:

Members of the Syndicate / CRTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
[●]	*₹ NIL/- per valid Bid cum Application Form (plus applicable taxes)* *[●] will also be entitled to a one time escrow management fee of ₹ [●]* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*
[●]	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *[●] will also be entitled to a one time escrow management fee of ₹ [●]* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

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

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI ICDR Master Circular.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. 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 may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the proceeds of the Offer will be paid by our Company to our Promoters, members of the Promoter Group, our Directors, our Key Managerial Personnel or Senior Management.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with any of our Directors, Key Managerial Personnel and Senior Management 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.

The Net Proceeds shall not be used for lending, or for financing transactions with any related parties of our Company. The Net Proceeds shall be maintained by our Company in a separate account to be monitored by the Monitoring Agency, until utilization in accordance with the SEBI ICDR Regulations.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank/financial institution. See, "***Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised by a bank or a financial institution, and may be subject to change based on various factors, some of which are beyond our control. Further, any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***" on page 61.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under 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, our Promoters 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 proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections "***Risk Factors***", "***Our Business***", "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 32, 252, 442 and 405 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:

- key player in the metal fabrication, metal finishing and assembly industry, characterized by high industry barriers;
- one stop shop for metal fabrication, metal finishing and assembly o capabilities with an extensive product portfolio;
- technology-enabled manufacturing process with significant degree of automation, bolstered by internet of things and artificial intelligence/ machine learning;
- long-standing customer relationships with established automotive and non automotive customers; and
- demonstrated track record of financial performance and growth.

See "***Our Business – Our Strengths***" on page 257.

Quantitative factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Consolidated Financial Information. See "***Restated Consolidated Financial Information***" beginning on page 321.

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

1. Basic and Diluted Earnings Per Equity Share ("EPS") of face value of ₹ 2 each (as adjusted for changes in capital, if any):

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2024	6.10	6.10	3
Financial Year ended March 31, 2023	7.74	7.74	2
Financial Year ended March 31, 2022	4.29	4.29	1
Weighted Average	6.35	6.35	

Notes

i) Basic EPS = Net Profit after tax attributable to the owners of the Holding Company for the year, as restated, divided by weighted average number of equity shares outstanding during the year.

ii) Diluted EPS = Net Profit after tax attributable to the owners of the Holding Company for the year, as restated, divided by weighted average number of equity shares and potential equity shares outstanding during the year.

iii) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year divided by Total of weights

iv) The figures disclosed above are based on the Restated Consolidated Financial Information.

v) The face value of each Equity Share is ₹ 2 each

vi) Subsequent to the end of the Financial Year ended March 31, 2024, pursuant to resolutions passed by our Board on April 19, 2024 and by our Shareholders on April 24, 2024, the issued, subscribed and paid-up capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹10 each to 13,595,870 equity shares of face value of ₹ 2 each. Further, pursuant to resolutions passed by our Board on April 19, 2024and by our Shareholders on April 24, 2024, the issuance of 67,979,350 equity shares of face value ₹2 each by way of a bonus issue in the ratio of 5 equity shares of face value ₹2 each for every one equity share of face value ₹2 each held, was approved, which were allotted on May 14, 2024.

2. Price to Earnings Ratio ("P/E Ratio") in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2024	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2024	[●]	[●]

** To be updated in the Prospectus*

Industry Peer Group P/E Ratio

Particulars	P/E ratio
Highest	118.96
Lowest	33.53
Average	60.28

Notes:

*The industry high and low has been considered from the industry peer set provided under "**- Comparison of accounting ratios with listed industry peers**" on page 124 below. The industry average has been calculated as the arithmetic average of the P/E Ratio of the peers.*

3. Return on Net Worth ("RoNW")

Financial Year/Period	RoNW (%)	Weight
Financial Year ended March 31, 2024	16.11	3
Financial Year ended March 31, 2023	25.06	2
Financial Year ended March 31, 2022	17.39	1
Weighted Average	19.30	

i) RoNW is calculated as restated profit for the year/period divided by the average Net Worth for the respective year/period.
ii) 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital, general reserve, share premium, surplus in the statement of profit and loss and non-controlling interest.
iii) Average net worth is sum of opening and closing net worth divided by two.
iv) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights, i.e., RoNW x Weight for each year/total no. of weights.
v) The figures for restated profit for the period/year attributable to equity shareholders of the Company and total equity to calculate net worth and RoNW are derived from the Restated Consolidated Financial Information.

4. Net Asset Value ("NAV") per Equity Share of face value of ₹ 2 each

Financial Year/Period Ended	NAV derived from the Restated Consolidated Financial Information (₹)
As on March 31, 2024	41.12
After the completion of the Offer*	[●]
- At the Floor Price: [●]	[●]
- At the Cap Price: [●]	[●]
Offer Price*	[●]

**Offer price per Equity Share will be determined at the conclusion of the Book Building Process.*
i) Net asset value per Equity Share (in ₹) is calculated as net worth as of the end of the relevant year divided by the number of equity share outstanding at the end of the respective year.
ii) 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital, general reserve, share premium, surplus in the statement of profit and loss and non-controlling interest.
iii) NAV per equity share represents restated net worth as at the end of the year/period, divided by the number of Equity Shares outstanding at the end of the year/period after taking effect of bonus shares and split of equity shares.

5. Comparison of key accounting ratios with listed industry peers

Name of the company	Consolidated/ Standalone	Face value per equity share (₹)	P/E	Revenue from operations (in ₹ million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	Total Equity (in ₹ million)	RoNW (%)	Net Asset Value per Equity Share (₹)
Company	Consolidated	2	[●]#	15,075.97	6.10	6.10	3,354.50	16.11	41.12
Listed peers									

Name of the company	Consolidated/ Standalone	Face value per equity share (₹)	P/E	Revenue from operations (in ₹ million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	Total Equity (in ₹ million)	RoNW (%)	Net Asset Value per Equity Share (₹)
Craftsman Automation Limited	Consolidated	5	33.53	44,517.30	159.66	159.66	17,516.60	21.15	829.02
Endurance Technologies Limited	Consolidated	10	52.57	1,02,408.71	48.38	48.38	49,774.41	14.49	353.86
Sandhar Technologies Limited	Consolidated	10	36.08	35,211.08	18.32	18.32	10,165.92	11.36	168.90
JBM Auto Limited	Consolidated	2	118.96	50,093.50	16.38	16.38	11,920.80	17.44	98.95

#To be included in respect of our Company in the Prospectus based on the Offer Price

*** All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the Financial Year ended March 31, 2024 available on the website of the BSE*

Notes:

(1) *Basic EPS = Net Profit after tax attributable to the owners of the Holding Company for the year, as restated, divided by weighted average number of equity shares outstanding during the year.*

(2) *Diluted EPS = Net Profit after tax attributable to the owners of the Holding Company for the year, as restated, divided by weighted average number of equity shares and potential equity shares outstanding during the year.*

(3) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year divided by Total of weights*

(4) *Net asset value per share (in ₹) is calculated as net worth as of the end of the relevant year divided by the number of equity share outstanding at the end of the respective year.*

(5) *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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital, general reserve, share premium, surplus in the statement of profit and loss and non-controlling interest.*

(6) *RoNW calculated as restated profit for the year divided by the average Net Worth for the respective year.*

6. Key performance indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand, analyze and track or monitor our operational and/or financial performance, which in result, help us in analyzing the growth of business in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated August 12, 2024. 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 years prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by Dewan P. N. Chopra & Co, Chartered Accountants by their certificate dated 12, 2024.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision. For details of our other financial and 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 252 and 405, respectively.

(₹ in million, unless mentioned otherwise)

Metric	As at and or for the Financial Year ended March 31, 2024	2023	2022
Revenue from Operations (₹ in million)(1)	15,075.97	10,503.91	10,307.58
Revenue Growth (%)(2)	43.53	1.90	51.16
EBITDA (₹ in million)(3)	1,317.20	1,178.42	874.70
EBITDA Margin (%)(4)	8.65	10.78	8.44
Profit after tax for the year ("PAT") (₹ in millions) (5)	500.04	631.11	349.64
PAT Margin (%)(6)	3.28	5.78	3.37
Net Debt to EBITDA Ratio (in times) (7)	2.34	2.48	2.11
Return on Equity (ROE) (%)(8)	16.34	25.33	17.27

Metric	As at and or for the Financial Year ended March 31,		
	2024	2023	2022
Return on Capital Employed (RoCE)(%) (9)	15.55	18.43	16.02
Cash Conversion Cycle (in days) (10)	35	41	34
Fixed Asset Turnover Ratio (in times) (11)	3.34	2.37	3.92

*Note: The above details have been certified by Dewan P. N. Chopra & Co, Chartered Accountants pursuant to their certificate dated August 12, 2024. The certificate dated August 12, 2024 issued by Dewan P. N. Chopra & Co, Chartered Accountants, has been included in "**Material Contracts and Documents for Inspection – Material Documents**" on page 521.*

Notes:

(1) *Revenue from Operations means the revenue from operations for the year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year ("PAT") as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money).*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days are calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days are calculated as Trade payable divided by Revenue from operations multiplied by 365 days.*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by property, plant and equipment.*

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

Explanation for the key performance indicators

The following table provides the explanation of and rationale for each of the KPIs that have a bearing on arriving at the basis for Offer Price and the relevance of such to the business of our Company:

Metric	Explanation for the KPI
Revenue from Operations	Revenue from operations refers to the total turnover of the business from the sale of the products and services and also represents the scale of the business. It also provides information regarding the overall financial performance
Revenue Growth	Growth in Revenue from Operations provides information regarding the growth of the business for the respective year.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
Profit after tax for the year/PAT	Restated Profit for the Year provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Net Debt to EBITDA ratio	The Net Debt to EBITDA ratio enables us to measure the ability and extent to which we can cover the debt in comparison to the EBITDA being generated by us.
Return on Equity/RoE	RoE provides how efficiently the Company generates profits from shareholders' funds.
Return on Capital Employed/RoCE	RoCE provides how efficiently the Company generates earnings from the capital employed in the business.
Cash Conversion Cycle	Cash Conversion Cycle days indicate the working capital requirements in

Metric	Explanation for the KPI
	relation to revenue generated from operations.
Fixed Asset Turnover Ratio	Fixed assets turnover ratio measures the efficiency of the fixed assets (property, plant and equipment) in generating revenue.

We have also described and defined the KPIs, as applicable, in "***Definitions and Abbreviations – Key performance indicators***" on page 9.

Description on the historic use of the key performance indicators by us to analyze, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial performance. 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 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 or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures 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 our key performance indicators with our listed industry peers

The following table provides a comparison of our KPIs with those of our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size and our business model in accordance with the SEBI ICDR Regulations:

(₹ in million, unless mentioned otherwise)

Particulars	As at and for the Financial Year ended March 31, 2024				
	Metalman Auto Limited	Craftsman Automation Limited	Endurance Technologies Limited	Sandhar Technologies Limited	JBM Auto Limited
Revenue from operations (₹ in million)[(1)]	15,075.97	44,517.3	102,408.71	35,211.08	50,093.50
Revenue growth (%)[(2)]	43.53%	39.88%	16.32%	21.05%	29.86%
EBITDA (₹ in million)[(3)]	1,317.20	8,969.20	14,135.99	3,553.44	6,143.20
EBITDA Margin (%)[(4)]	8.65%	20.07%	13.69%	10.06%	12.21%
Profit after tax for the year ("PAT") (₹ in millions) [(5)]	500.04	3,373.3	6,804.88	1,102.61	1,937.30
PAT Margin (%)[(6)]	3.28%	7.55%	6.59%	3.12%	3.85%
Net debt to EBITDA ration (in times) [(7)]	2.34	1.63	0.17	1.66	3.31
Return on equity (ROE) (%)[(8)]	16.34%	22.24%	14.14%	11.53%	17.54%
Return on capital employed (RoCE)(%) [(9)]	15.55%	21.51%	16.73%	14.90%	23.17%
Cash conversion cycle (in days) [(10)]	35	67	19	32	23
Fixed assets turnover ratio (in times) [(11)]	3.34	2.09	3.27	3.08	3.26

Notes:

(1) *Revenue from Operations means the revenue from operations for the year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year ("PAT") as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money).*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days are calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days are calculated as Trade payable divided by Revenue from operations multiplied by 365 days.*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by property, plant and equipment.*

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

Comparison of KPIs based on additions or dispositions to our business

Except for the increase in our stake in Metalman Micro Turners from 50% to 98% in Financial Year 2023 pursuant to the partnership deed dated March 29, 2023, our Company has not made any additions or dispositions to its business during the Financial Years 2024, 2023 and 2022. The resultant outcome has been reflected in the KPIs in Financial Year 2024 as set out above.

7. Weighted average cost of acquisition, Floor Price and Cap Price

I) ***Price per share of the Company based on primary issuances of Equity Shares or convertible securities (excluding issuance of Equity Shares under ESOP/ESOS or 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-transaction capital before such transactions) in a single transaction or multiple transactions combined together over a span of rolling 30 days***

There have been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

II) ***Price per share of the Company based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or any other Shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions), in a single transaction or multiple transactions combined together over a span of rolling 30 days.***

There have been no secondary sales/transfers or acquisitions of any Equity Shares or convertible securities (excluding gifts) where the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction, 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.

III) ***Price of Equity Shares for last five primary or secondary transactions (where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) 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 transactions***

Since there are no such transactions to report to under (I) and (II) above, information based on last five primary or secondary transactions (secondary transactions where our Promoters/members of our Promoter

Group or Selling Shareholders or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

Date of allotment/ transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (in ₹ million)
Primary Transactions						
May 14, 2024	67,979,350	2	-	Bonus issue	N.A.*	N.A.
Secondary Transactions						
Nil						

** Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at no consideration. See* ***"Capital Structure – Notes to Capital Structure – Equity share capital history of our Company"*** *on page 90.*

IV) ***Floor Price and Cap Price vis-à-vis Weighted average cost of acquisition based on primary issuances/secondary transactions during the last 18 months and three years***

	Weighted Average Cost of Acquisition per Equity Share (in ₹)	Floor price: ₹ [•]^	Cap Price: ₹ [•]^
I. 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 Daft 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	Nil	[•]	[•]
II. 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 is equal to or more than five per cent 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	Nil	[•]	[•]
III. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			
(a) WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	Nil*	[•]	[•]
(b) WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years^^	Nil	[•]	[•]

Note: The above details have been certified by Dewan P. N. Chopra & Co, Chartered Accountants pursuant to their certificate dated August 12, 2024.

** Taking into consideration cost of Equity Shares issued pursuant to a bonus issue which are issued at no consideration. See* ***"Capital Structure – Notes to Capital Structure – Equity share capital history of our Company"*** *on page 90.*

^ *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*

8. 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 assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

The trading price of the Equity Shares could decline due to the factors mentioned in the "***Risk Factors – The Equity Shares have never been publicly traded and after the Offer, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop, which may mean you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***" on page 69 and you may lose all or part of your investments.

9. Explanation for Offer Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 7 above) along with our Company's key performance indicators and financial ratios for Financial Years 2024, 2023 and 2022 and in view of the external factors which may have influenced the pricing of the Offer

[●]*

**To be included on finalisation of Price Band*

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Metalman Auto Limited
(Formerly known as Metalman Auto Private Limited)
JMK Towers, NH-8, First Floor,
Mustail No. 44, Killa No. 5,
Village Kapashera,
New Delhi – 110037, India

Sub: Statement of possible special tax benefits available to Metalman Auto Limited ("the Issuer" or "the Company") and its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").

1. We, M S K A & Associates ("**the Firm**"), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Annexure prepared and issued by the Company ("**Statement**"), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975, and Foreign Trade Policy 2023 each as amended (collectively the "**Taxation Laws**"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to derive the special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company and its shareholders face in the future. The Company and its shareholders may or may not choose to fulfil such conditions for availing special tax benefits. The provisions of the Income Tax Act, 1961 are proposed to be amended by the Finance (No.2) Bill, 2024 and the same would be effective only on receiving the assent of President of India. Certain key amendments as proposed by Finance (No.2) Bill 2024 are considered, in this document.

2. This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, 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 Statement. Any benefits under the Taxation Laws other than those specified in the Statement 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 specifically mentioned in the Statement, have not been examined and covered by this Statement.

3. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

4. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company ("the Offer") and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement. Also, any tax information included in this written communication was not intended or written to be used and it cannot be used by the Company or the

investor for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

5. 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.

6. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

7. We do not express any opinion or provide any assurance on whether:
   - The Company and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met; and
   - The revenue authorities/courts will concur with the views expressed herein.

8. The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

10. This statement is addressed to the Board of Directors and issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the draft red herring prospectus, and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Jiger Saiya
Partner
Membership No:

UDIN: 24116349BKFZIV3513

Place: Mumbai
Date: August 12, 2024

Enclosure: Annexure A

Annexure A

Statement of possible special tax benefits available to Metalman Auto Limited (Formerly as Metalman Auto Private Limited) ('the Company') and its Shareholders

Direct Taxation

This statement of possible special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**"). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force. The provisions of the Income Tax Act, 1961 are proposed to be amended by the Finance (No.2) Bill, 2024 and the same would be effective only on receiving the assent of President of India. Certain key amendments as proposed by Finance (No.2) Bill 2024 are considered in this statement.

1. Special Income tax benefits available to the Company in India under the Income-tax Act, 1961 ('Act')

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% *(plus applicable surcharge and education cess)* for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/ deductions/ exemptions or set-off of losses, depreciation, etc. and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per Section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

  The Company has opted for the concessional tax regime as per the provisions of Section 115BAA of the Act and consequently, MAT provisions as envisaged under section 115JB of the Act would not be applicable to the Company.

- Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% 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. Further, where the Company wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

2. Special direct tax benefits available to the Shareholders of Company under the Act

- There are no special tax benefits available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain income(s) *(arising from sale of equity shares of the Company)*.

- Section 112A of the Act provides for concessional rate of tax on long-term capital gains on transfer of equity shares with effect from April 1, 2019 *(i.e. Assessment Year 2019-20)* subject to conditions. Any income, exceeding INR 1,00,000 *(proposed to be increased to INR 1,25,000 by the Finance (No.2) Bill, 2024)* arising from the transfer of a long-term capital asset *(i.e. capital asset held for the period of more than 12 months)* being an Equity Share in a listed Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation *(if long-term capital gains exceed the basic threshold limit of exemption, in case of resident individual and HUF)*. However, the Finance (No.2) Bill, 2024 proposes that the rate of 10% *(plus applicable surcharge and education cess)* be applicable with respect to transfer done prior to July 23, 2024. For transfer done on or after July 23, 2024, the Finance (No.2) Bill, 2024, proposes that the long-term capital gains would be taxed at the rate of 12.50 % *(plus applicable surcharge and education cess)* without any indexation benefits.

- Section 111A of the Act provides for concessional rate of tax at the rate of 15 % *(plus applicable surcharge and education cess)* proposed to be increased to 20% *(plus applicable surcharge and education cess)* by Finance (No.2) Bill, 2024 for transfer on or after July 23, 2024 in respect of short-term capital gains *(provided the short-term capital gains exceed the basic threshold limit of exemption, in case of resident individual and HUF)* arising from the transfer of a short-term capital asset *(i.e. capital asset held for the period of up to 12 months)* being an Equity Share in a listed company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer.
- Separately, any dividend income received by the shareholders would be subject to tax deduction at source by the company under section 194 at the rate of 10%. However, in case of individual shareholders, this would apply only if dividend income exceeds INR 5,000. Further, dividend income shall be taxable in the hands of the shareholders at the rates as applicable in their case.

- In case of an individual, resident in India who opts for new regime under section 115BAC(1A) of the Act, the aforesaid tax implications shall be subject to rebate available under section 87A of the Act which provides that if total income of the resident individual does not exceed INR 7 Lacs, no tax liability may arise subject to maximum rebate of INR 25,000.

- 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 ('DTAA'), if any, between India and the country in which the non-resident shareholder has fiscal domicile. This is subject to conditions to be satisfied under section 90 of the Act for availing benefits of DTAA.

Indirect Taxation
This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

1. Special Tax Benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2024-25 and Foreign Trade Policy 2023, presently in force in India.

I. Special Indirect Tax Benefits available to the Company in India under GST Acts

(i) The Company exports goods without payment of GST under a Letter of Undertaking and no Customs duty is applicable on such exports.
(ii) The said goods are also supplied by the Company in domestic market which attract GST at the prescribed rates.
(iii) Apart from the above, no other special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

II. Special indirect tax benefits available to the Company in India under The Customs Act,1962

- Remission of duties and taxes on Exported Products (RoDTEP) - The Remission of duties and taxes on exported products scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 % to 4 %.

- Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962: As per Section 75 of the Customs Act, 1962, the Central Government is empowered to allow duty drawback on export of goods. The Company is availing duty drawback under Section 75 of the Customs Act, 1962 read with Notification No. 77/2023-Cus. (N.T.) dated 20 October 2023.

III. Special Indirect Tax Benefits available to the Shareholders of the Company

- The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central

Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST.

- Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of Indian Taxation Laws including amendments as proposed by the Finance Bill (No. 2), 2024.

2. The above Statement of possible special tax benefits sets out the provisions of the Indian Taxation Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

4. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

5. This statement (Company and its Shareholders) does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.

6. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

7. The above statements are based on the existing provisions of Indian Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views expressed in this statement are based on the facts and assumptions indicated in the statement. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

For Metalman Auto Limited

Name: Navneet Jairath
Designation: Managing Director
Place: New Delhi
Date: August 12, 2024

To,
The Partners
Metalman Micro Turners
1st Floor, JMK Tower 44/5,
NH8, Kapas Hera Estate,
New Delhi, Delhi 110037

Sub: Statement of possible special tax benefits available to Metalman Micro Turners, a Partnership Firm (the "MMT") and its partners (the Material Subsidiary) under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations').

1. We, Dewan P N Chopra & Co ("**the Firm**"), Chartered Accountants, the tax auditors of the MMT hereby confirm the enclosed statement in the Annexure prepared and issued by MMT ("**Statement**"), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975, each as amended (collectively the "**Taxation Laws**"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to MMT, its Partner. Several of these benefits are dependent on MMT and its partners as the case may be, fulfilling the conditions, if any, prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of MMT and its partners to derive the special tax benefits is dependent upon their fulfilling such conditions, which are based on the business imperatives of MMT and its partners face in the future. MMT and its partners may or may not choose to fulfil such conditions for availing special tax benefits. The provisions of the Income Tax Act, 1961 are proposed to be amended by the Finance (No.2) Bill, 2024 and the same would be effective only on receiving the assent of President of India. Certain key amendments as proposed by Finance (No.2) Bill 2024 are considered, in this document.

2. This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to MMT, the same would include those benefits as enumerated in the Statement. Any benefits under the Taxation Laws other than those specified in the Statement 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 specifically mentioned in the Statement, have not been examined and covered by this Statement.

3. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to MMTand its partners and do not cover any general tax benefits available to them.

4. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the MMT's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer and we shall in no way be liable or responsible to any partner or subscriber of the offer for placing reliance upon the contents of this Statement. Also, any tax information included in this written communication was not intended or written to be used and it cannot be used by MMT or the investor of Metalman Auto Limited (hereinafter referred as "**Holding Company**") for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

5. 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.

6. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

7. We do not express any opinion or provide any assurance on whether:
   - MMT and its partners will continue to obtain these benefits in the future;
   - The conditions prescribed for availing the benefits have been/would be met; and
   - The revenue authorities/courts will concur with the views expressed herein.

8. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

9. 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.

10. The contents of the enclosed Statement are based on the information, explanations and representations obtained from MMT and on the basis of our understanding of the business activities and operations of MMT. We have relied upon the information and documents of MMT being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

11. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the MMT.

12. This statement is addressed to the Partners and issued at the specific request of the MMT. The enclosed Statement is intended solely for your information and for inclusion in the draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Holding Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment/modification to provisions of the applicable laws may have an impact on the views contained in our Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For Dewan P N Chopra & Co
Chartered Accountants
Firm Registration No. 000472N

Sandeep Dahiya
Partner
UDIN: 24505371BKAPPJ1956
Place: New Delhi
Date: August 12, 2024

Annexure 'A'

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE MMT AND ITS PARTNERS UNDER APPLICABLE DIRECT AND INDIRECT TAXATION LAWS.

1. SPECIAL TAX BENEFITS AVAILABLE TO MMT

No Special Tax benefits available to MMT

There are no possible special tax benefits available to MMT under the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act,2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act,2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

2. SPECIAL TAX BENEFITS TO THE PARTNERS OF MMT

No Special Tax benefits available to the Partners of MMT

The Partners of MMT are also not eligible for any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975 and/or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

Notes:

a) The benefits discussed above cover only possible special tax benefits available to MMT and its Partners and do not cover any general tax benefits. The above Statement sets out the provisions of law 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.

b) The above is as per the prevalent Tax Laws as on date.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market data contained in this Draft Red Herring Prospectus is derived from the CRISIL Report, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to an engagement letter dated May 21, 2024. The CRISIL Report will be on the website of our Company at the following web-link: www.metalmanauto.com/investors/ from the date of filing the Red Herring Prospectus until the Bid / Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data**" and "**- Internal Risk Factors – Other risks – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on pages 15 and 65, respectively.*

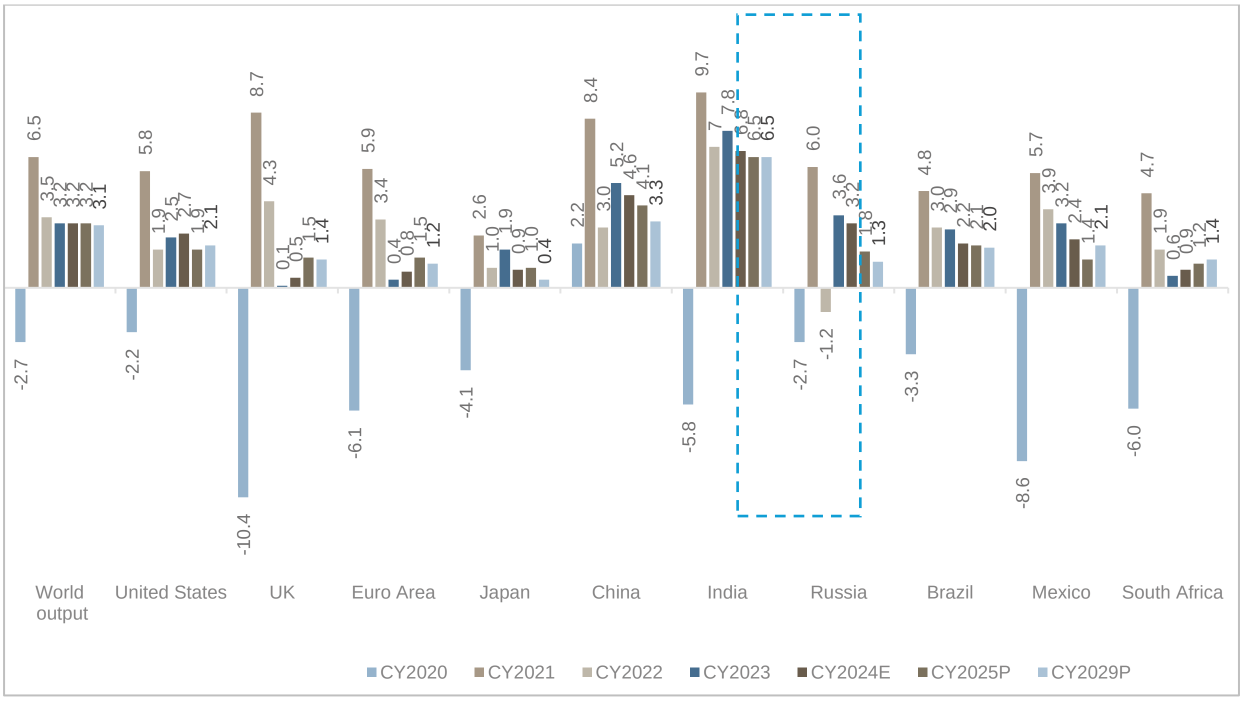
Macroeconomic overview of the global and Indian economy

Overview of the global economy

Review and outlook of global GDP

The global economy continues to recover from the challenges heaped by the COVID pandemic, Russia's invasion of Ukraine, Red Sea crisis and considerable tightening of global monetary conditions to address elevated inflation. However, a return to pre-pandemic growth trajectory seems increasingly challenging, particularly in the case of emerging and developing economies due to the convergence of several forces that are holding back a steady recovery. Some of these are long-term fallouts of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Other cyclical factors include elevated central bank policy rate to control inflation in several large emerging markets and developed economies, a withdrawal of fiscal support amid high debt levels, and extreme weather events. However, India witnessed strong growth momentum despite these geopolitical tensions and uncertainties in the global economic environment. A major push to economic growth has been fuelled by investments in key sectors such as information technology, services, agriculture, and manufacturing.

GDP growth of key economies



(1) Note: On Calendar Year (CY) basis
*(2) * Euro area comprises 19 member countries of the EU*

Source: International Monetary Fund (IMF; World Economic Outlook – April 2024 update), CRISIL MI&A

As per World Economic Outlook by International Monetary Fund (IMF):

- The global GDP growth is estimated at 3.2% in the CY2024 with the forecast 0.1% higher than the previous estimates due to the upgrades for China, the United States , large emerging markets and developing economies. The forecast for CY2024 is however, below the historical (CY2000-2019) annual average of 3.8% with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support by major economies amid high debt weighing on economic activity and low underlying productivity growth.
- In case of advance economies, which include the US, Japan and Euro area, the growth is projected to rise from 1.6% in CY2023 to 1.7% in CY2024.A marginal upward revision of 0.2% for CY2024 compared with previous estimates is due to stronger growth momentum in the US that is partly offset by weaker growth in the Euro zone.
- The growth rate in emerging market and developing economies which include China, India, Russia, Brazil, Mexico, and South Africa is expected to remain at 4.2% in CY2024 and CY2025, with a moderation in emerging and developing Asia such as India and China's growth offset mainly by rising growth for economies in Middle East and Central Asia and for Sub Saharan Africa. Emerging and developing economies are expected to experience stable growth through 2024 and 2025 albeit with some regional differences.

Review and outlook of inflation in key economies

The Global headline inflation is expected to fall from an average of 6.8% in CY2023 to 5.9% in CY2024 mainly due to decline is expected for Advanced economies, with inflation decline by 2% in CY2024.The fall in global inflation in CY2024 reflects a broad-based decline in global core inflation (all item except food and energy). This dynamic differs from that in 2023, when global core inflation fell marginally on an annual average basis and headline inflation declined mainly on account of lower fuel and food price inflation. In CY2024, core inflation is expected to fall by 1.2% after contracting by 0.2% in CY2023.As in case of headline inflation, the fall in core inflation is faster for advanced economies. Diminished inflation reflects the fading of relative price shocks notably energy prices. In near term, inflation expectations have fallen in major economies with long term expectations remaining anchored.

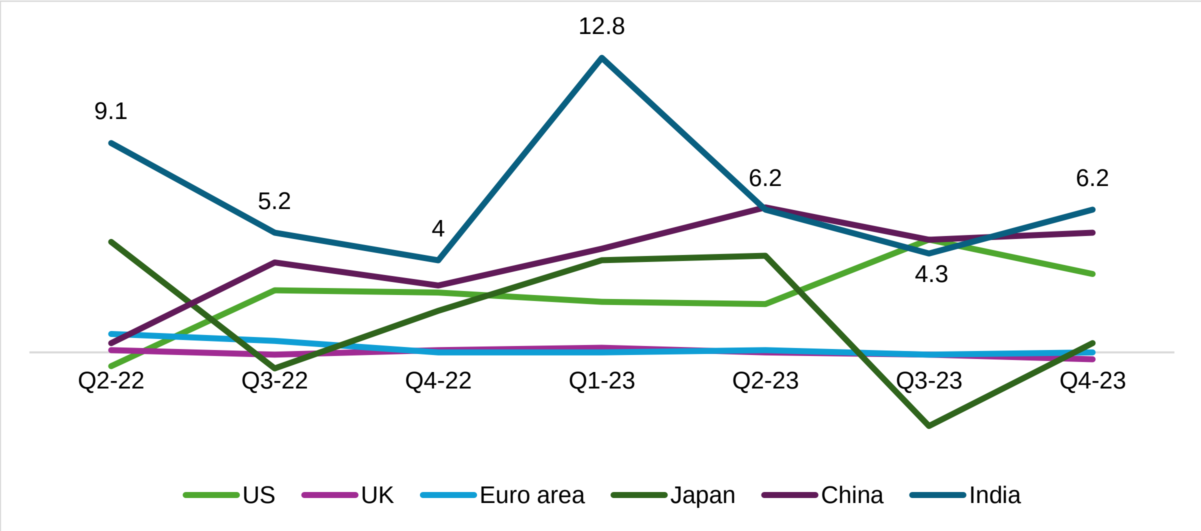
There is regional divergence on the inflation front in the United States the disinflation process remains uneven. S&P Global Ratings does not expect the Federal Reserve to cut rates before June. Inflation in the Euro zone eased further in March 2024 but remains above the European Central Bank's target. On the other hand, inflation in Japan continued to ease in March, but remained above the Bank of Japan's target. China's prices came down in March, the slowdown came as the effect of the Lunar New Year waned and with non-food inflation easing.

Consumer price inflation (year-on-year, %)

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
US	3.2	3.7	3.7	3.2	3.1	3.4	3.1	3.2	3.5
UK	6.8	6.7	6.7	4.6	3.9	4.0	4.0	3.4	3.2
Euro area	5.3	5.2	4.3	2.9	2.4	2.9	2.8	2.6	2.4
Japan	3.3	3.2	3.0	3.3	2.8	2.6	2.2	2.8	2.6
China	(0.3)	0.1	0.0	(0.2)	(0.5)	(0.3)	(0.8)	0.7	0.1
India	7.4	6.8	5.0	4.8	5.5	5.6	5.1	5.1	4.9

Source: Statistical Bureau, respective countries

GDP growth (Q-o-Q SA annualized, %)



Source: Statistical Bureau, respective countries

India to be the fastest growing large economy

India's growth trajectory continued throughout fiscal 2024 wherein India's GDP expanded at 7.8% in the first quarter, 7.6% in the second quarter and 8.4% in the third quarter. Core sector growth in February 2024 was the fastest in three months and manufacturing activity at five months high. Economic growth was encouraged by investment and manufacturing activity.
Consumer price index (CPI) inflation eased to five months low of 4.9% in March from 5.1% in February 2024. However, core inflation tapered to 3.2% in March 2024 from 3.3% in February 2024. Fuel inflation also tapered in March 2024 due to cut down in domestic fuel prices such as petrol and diesel. High food inflation at 8.5% in March 2024 due to higher cereals inflation, erratic vegetable inflation and elevated pulses inflation are a cause of concern given the Indian Meteorological Department's (IMD) prediction of higher-than-normal temperatures between April and June.

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) voted to keep the policy rates unchanged with a 5-1 majority. The repo rate remains at 6.50% in April 2024. The MPC noted encouraging signs for food inflation easing on the back of an expected bumper rabi output in the current season and a normal monsoon. However, it will remain vigilant about unpredictable weather events, the frequency of which has increased in recent years. The MPC kept its consumer price index (CPI) inflation forecast unchanged at 4.5% for this fiscal.

The International Monetary Fund in its latest report indicated that India's gross investments as a percentage of GDP is expected to rise 31.9% in Fiscal 2025 from 31.7% in Fiscal 2024. The National Statistical Office (NSO) reported that manufacturing output rose by 5% in February 2024 which is slightly lower as compared to 5.9% in February 2023. Industrial production expanded by 5.7% in February 2024. Mining production surged by 8% while power output grew by 5.7% in February 2024. India's merchandise trade deficit widened to USD 18.71billion in February 2024 from USD 17.49 billion in January 2024, as imports surpassed exports in value terms against the backdrop of the Red Sea conflict.

The Indian economy is expected to grow at a higher than estimated 7.6% in fiscal 2024, with GDP growth in the third quarter of the fiscal at 8.4% on the back of lower base, tax collections and healthy growth in the manufacturing sector and construction activities. Data released by the NSO in February 2024 revealed that the economy is expected to grow by 7.6% in fiscal 2024 as against the previous estimates of 7.3%.

As per CRISIL MI&A, India's economy is expected to grow at 6.8% in fiscal 2025 up from 6.5% projected earlier. This will be driven by expected easing of domestic financial conditions, disinflation leading to increasing purchasing power of consumers and growth in private capital expenditure.

Key events and their impact on Global Economy

China plus one trend

The China Plus One Strategy, also known as Plus One or C+1, is a supply chain strategy that encourages companies to minimize their supply chain dependency on China by diversifying the countries they source parts from. The goal here is to reduce the risk of over relying on a single country for sourcing and manufacturing.

Many Western countries, including the US, have heavily relied on China when it comes to outsourcing their manufacturing. Low labour and production costs are one of the major reasons for this, as well as factors like China's strong domestic market, supply chain, infrastructure, free trade and tax agreements, and high growth potential. Regardless of the reasoning behind this reliance, people noticed that the global dependency on China was becoming a risk in as early as 2008, with the official China Plus One strategy being first introduced in 2013. This new strategy would allow businesses to continue to invest in China, while spreading their operations across multiple countries, which are considered the "Plus One". By establishing additional sourcing and manufacturing locations outside of China, companies found a way to mitigate business risks, access new consumer markets, and explore other innovation and technology, all while keeping their operations cost-effective.

Today, geopolitical, and economic factors drive much of the urgency behind businesses implementing a China Plus One approach. The approach gained traction due to the US–China trade war, fuelled by U.S. President Donald Trump in 2018. As tensions escalated throughout Trump's presidency, businesses became uncertain about how their supply chain and operations would be affected, accelerating the adoption of China Plus One. Additionally, the COVID pandemic exposed vulnerabilities in global supply chains, especially for those who relied on China alone. Companies with diversified supply chains were better equipped to navigate disruptions caused by China's "Zero-Covid" policy, which lead to long lockdowns and factory closures. Other issues, such as rising labour costs in China and various Chinese political movements, have also contributed to the rise of China Plus One in recent years.

Decoupling of global supply chains

As traditional supply chains are threatened by large scale global events, rising trend in protectionism and wage inflation, there is a greater need for rethinking supply chain models to remain competitive. In the wake of global disruptions such as Covid, geopolitical crises, environmental disruptions, etc., significant decoupling of supply chains is happening to bring key supply links closer home, particularly the ones situated in China.

To establish collective supply chains that would improve their resilience in the long term, 18 economies, including India, the US and the EU unveiled a roadmap in July 2022 which included steps to counter supply chain dependencies and vulnerabilities. This was done as a part of the ongoing supply chain de-risking strategy of global companies/multinationals, wherein global companies are diversifying their businesses away from their reliance on a single large supplier, to alternative destinations. Beijing's Zero-Covid policy and the resultant disruptions to global supply chains, container shortage and higher lead times have served as an impetus to this strategy.

This reorientation has benefitted other Asian economies in southeast Asia and India. India can take advantage of the same as the enormous quantum of Chinese exports coupled with India's cost advantage in manufacturing, would serve as a highly lucrative opportunity for Indian manufacturers. Realising this opportunity, the Indian government has introduced many reforms and incentive schemes to increase domestic manufacturing and attract global manufacturing firms to India.

WTO negotiation: India secures multilateral victory, upholds principle of fair trade

The WTO is a system of rules that aims for fair and open competition. The WTO has 164 members countries, which represents over 98% of global trade. By January 2023, a total of 61 WTO members that were participating in the Joint statement initiative on service domestic regulation (JSI on SDR) had submitted requests for certification of their updated General Agreement on Trade in Services (GATS.)

India along with South Africa, has achieved a breakthrough in World Trade Organisation negotiations on domestic service regulations. After objections to certification requests for updated GATS, India withdrew objections following consultations. India emphasized adherence to multilateral processes, ensuring non-discrimination principles. India's key objective was reiterated during meeting and outlined in the revised certification requests of the WTO member involved. WPDR agreed on the course of action for those WTO members aiming to include regulations on domestic matters in their GATS schedules as additional commitments. This outcome addressing a topic mandated by multiple parties within multilateral forum, reaffirmed India's commitment to preserving the multilateral nature of WTO.

Overview of Indian Economy

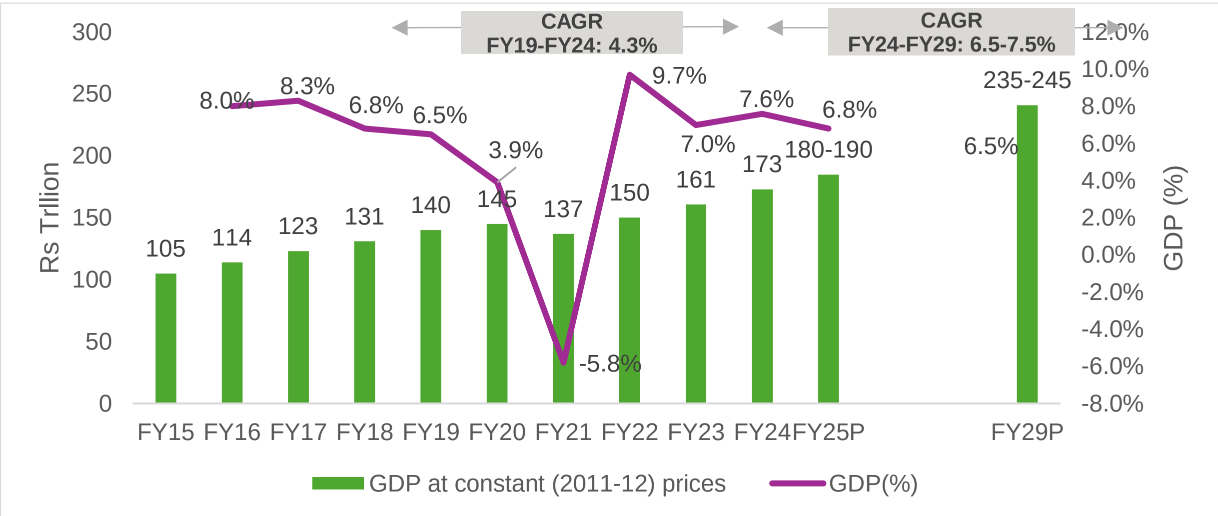
Review of real GDP growth over fiscals 2019-2024 and outlook for fiscals 2024-2029

India is the fastest growing among major economies. The Indian economy logged 4.3% CAGR between fiscals 2019 and 2024 (till Q3). This was a sharp deceleration from a robust 6.7% CAGR between fiscals 2017 and 2019, which was driven by rising consumer aspiration, rapid urbanisation, the government's focus on infrastructure investment and growth of the domestic manufacturing sector. Economic growth was supported by benign crude oil prices, soft interest rates and low current account deficit. The Indian government also undertook key reforms and initiatives, such as implementation of the Goods and Services Tax (GST), Insolvency and Bankruptcy Code, Make in India, financial inclusion initiatives, and gradual opening of sectors such as retail, e-commerce, defence, railways, and insurance for foreign direct investments (FDIs).

A large part of the lower growth between fiscals 2018 and 2023 was because of the economy contracting 5.8% in fiscal 2021 owing to the fallout of COVID. The pandemic's impact was more pronounced on contact-sensitive services and social distancing norms affected services such as entertainment, travel, and tourism, with many industries in the manufacturing sector also facing issues with shortage of raw materials/components as lockdown in various parts of the world upended supply chains.

Over the period, India's economic growth was led by services, followed by the industrial sector. In parts, though, growth was impacted by demonetisation, the non-banking financial company (NBFC) crisis, slower global economic growth, and the pandemic.

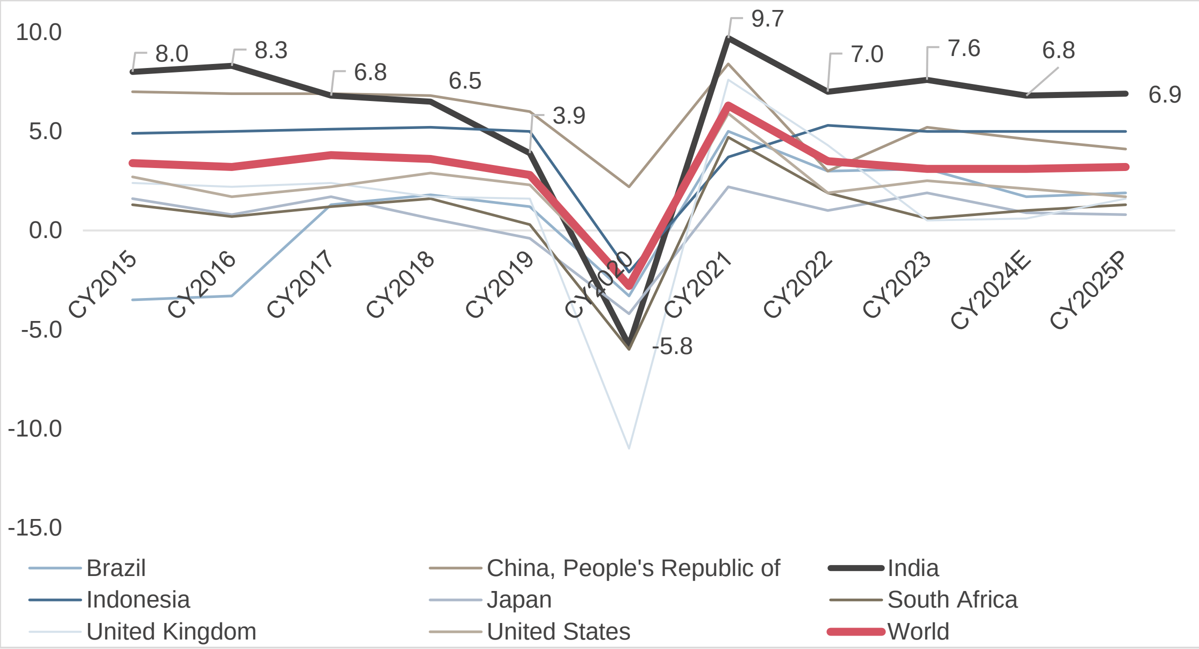
India's GDP growth trend and outlook



(1) Note: E - estimated and P - projected

Source: National Statistical Office (NSO), IMF, CRISIL MI&A estimates

India is one of the fastest growing emerging economies (GDP growth, % year-on-year)



(1) *E: estimated; P: projected*
(2) *Note: GDP growth based on constant prices*

Source: IMF (World Economic Outlook – January 2024 update), CRISIL MI&A

Drivers for India's economic growth

Capital will continue to be the biggest contributor to growth. Investment prospects are optimistic, given the government's capex push, progress of Production-Linked Incentive (PLI) scheme, healthier corporate balance sheets, and a well-capitalised banking sector with low non-performing assets (NPAs). The government's future capital expenditures are expected to be supported by factors such as tax buoyancy, simplified tax structures with lower rates, tariff structure reassessment, and tax filing digitization. Medium-term growth is anticipated to be bolstered by increased capital spending on infrastructure and asset development projects, leading to enhanced growth multipliers.

India is also likely to benefit from its diversification of the supply chain for incoming FDI flows, as global supply chains get reconfigured with focus shifting from efficiency towards resilience and friend shoring.

Strong domestic demand is expected to drive India's growth over peers in the medium term. Rising employment rates and a notable increase in private consumption, buoyed by growing consumer confidence, are poised to drive GDP growth in the upcoming months.

Near term review and outlook on inflation

Consumer price inflation (CPI) eased to 5 months low of 4.9% in March 2024 from 5.1% in February 2024. While core inflation declined to a record low of 3.3%, fuel Inflation declined to 3.2% on the back of lower domestic fuel prices. The food inflation is high, at 8.5%. Higher cereals inflation, erratic vegetable inflation and elevated pulses inflation are a cause of concern given the India Meteorological Department's (IMD) prediction of higher-than-normal temperatures between April and June.

Although headline inflation eased to 5.4% on-year in fiscal 2024 from 6.7%, food inflation surged to 7.5% from an already high 6.6% in fiscal 2023. The March 2024 reading of 8.5% food inflation creates some disquiet given the prediction of higher-than-average temperatures over the next few months that can stress vegetable production and some of the rabi crop that is yet to be harvested. Beyond that, we expect food inflation to ease a tad on the back of the prediction of a favourable monsoon (above normal rains as per the IMD), some benefit from a high food inflation base and an expected season downturn in pulses inflation.

We expect non-food inflation to remain comfortable, supported by softness in consumer demand, a pass-through of the previous year's oil price decline to domestic fuel (petrol and liquefied petroleum gas (LPG)) prices and an expectation of benign crude prices. Under these assumptions, we expect CPI inflation to average 4.5% in FY25. Intensification/persistence of geopolitical concerns and weather shocks, if any, pose an upside risk. Meanwhile, the government's budget is slimmer, which means the fiscal impulse to growth is also leaner and, therefore, less inflationary. All these factors contribute to the favourable conditions for interest rate reductions during this fiscal year, provided that potential hindrances such as food inflation or geopolitical escalations do not intervene and defer this decision.

Factors with a direct bearing on auto demand

Fluctuations in crude oil prices and INR USD exchange rates directly affect the auto demand by raising fuel costs and import costs. Monsoon has a direct impact on the agriculture related factors like crop yields and food prices, which in turn impact auto demand by shaping consumer spending behaviours and economic stability. Similarly, auto finance rates are pivotal in determining affordability. Moreover, Private Final Consumption Expenditure (PFCE) and per capita income serve as a vital factor in consumer purchasing power, directly influencing affordability and automotive demand.

Policies Impacting Automobile Industry

Electrification in India

Amid rising environmental concerns, electric vehicles (EVs) are gaining traction globally, including in India. The country is one of the signatories to the Paris Agreement under the United Nations Framework Convention on Climate Change. It is also part of the EV30@30 campaign, targeting a 30% volume share for EVs by 2030.

To accelerate EV adoption, the government has been incentivising consumers by extending support via FAME (Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India) subsidy as well as tax cuts. The government announced INR 895 crores for Phase I of FAME in April 2015 and 10,000 crores for Phase II of FAME, which commenced on April 1, 2019. The policy aims to provide a subsidy of INR 10,000 per kWh to two-wheelers for both commercial purposes and personal uses. It also envisions creation of infrastructure for charging of EVs.

These schemes alongside the Production Linked Incentive (PLI) schemes, scrappage policy as well as the Make in India initiative are setting up the roadmap for widespread EV manufacturing and adoption in India.

FAME policy (I and II)

As part of the National Electric Mobility Mission Plan (NEMMP) 2020, the Department of Heavy Industry (DHI) formulated the FAME I policy in 2015 with a budget outlay of INR 895 crore. The FAME I policy was aimed at promoting EV ecosystem through technology development, demand creation, pilot project, and charging infrastructure thereby ensuring its sustainable growth. In the FAME 1, about 2.78 lakh EVs were supported via demand incentives. In addition, 465 buses were sanctioned to various cities/states under this scheme. Phase-II of the FAME policy was implemented with an outlay of INR 10,000 Crore in 2019 for a period of 5 years, with the aim to support demand for EVs by supporting 7,000 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler (Commercial purposes) and 10 lakh 2W EV (including commercial and private). The Ministry of Heavy Industries (MHI) had sanctioned 520 Charging Stations/Infrastructure under the FAME I policy. Further, this Ministry has also sanctioned 2,877 Electric Vehicle Charging Stations in 68 cities across 25 States/UTs and 1576 charging stations across 9 Expressways and 16 Highways under FAME II.

Segment	Maximum vehicles supported	Approx size of battery (kWh)	Incentive offered (INR/kWh)	Maximum Ex-factory price to avail incentive (INR)
2W	1,000,000	2	10,000	1.5 lakhs
3W	500,000	5	10,000	5.0 lakhs
4W	35,000	15	10,000	15.0 lakhs
Bus	7,090	250	20,000	2.0 crores

In June 2021, demand incentive for 2Ws was increased to INR 15,000/ kWh capped at 40% of the vehicle cost. In June 2023, this was again revised and reduced to INR 10,000 per kWh of battery from INR15,000 per kWh earlier and the maximum subsidy cap from 40% to 15%.

With the expiry of FAME II in fiscal 2024, the government introduced Electric Mobility Promotion Scheme 2024 (EMPS) to support the adoption of EV 2Ws and 3Ws.

Electric Mobility Promotion Scheme 2024

MHI introduced Electric Mobility Promotion Scheme 2024 (EMPS 2024) in March 2024 with a budget outlay of INR 500 crores for a period of 4 months, starting from 1st April 2024 to 31st July 2024, for faster adoption of 2W EVand three-wheeler (e-3W). The scheme is aimed at providing incentives for the purchase of 2W EVs and e-3Ws in the country. The scheme would support the adoption of 372,215 EVs in total, including 333,387 2W EVs and 38,828 e-3Ws. The targeted e-3Ws include 13,590 e-rickshaws and e-carts, and 25,238 e-3Ws in the L5 category. Under the FAME-II scheme, PMP was implemented, and manufacturers were obligated to follow the PMP guidelines outlining the localization of EV components over time. These PMP guidelines for EVs will have to be followed by OEMs to be eligible for support under Electric Mobility Promotion Scheme 2024.

2W EVs will get a subsidy of INR 5,000 per kWh with a maximum limit of INR 10,000 per vehicle under the new scheme. E-rickshaws and carts will get a subsidy of Rs 5,000 per kWh with a limit of Rs 25,000 per vehicle. E-3Ws in the L5 category will also get a subsidy of Rs 5,000 per kWh with maximum incentive capped at Rs 50,000 per vehicle. Subsidies plays vital role in driving sales for EVs in the country. With FAME II having expired in March 2024, the introduction of EMPS is expected to provide an impetus to the EV market in the near term.

National Infrastructure Pipeline:

The government has set targets for infrastructure development between fiscals 2019 and 2025. CRISIL MI&A Consulting expects aggregate (government plus private) spending on infrastructure to double by 2030, i.e. from ~INR 67 trillion between fiscals 2017 and 2023 to ~INR 143 trillion during fiscal 2024 to 2030, primarily driven by spends on 'core' infrastructure, i.e. roads, railways, airports, ports, urban infrastructure, irrigation, warehouses, and telecom.

PM Gati Shakti

National Master Plan for Multi-modal Connectivity: Gati Shakti Scheme or National Master Plan for multi-modal connectivity plan, was unveiled in October 2021, with an objective of curtailing the logistics cost for the country, by coordinating the infrastructure creation activity different government entities. Major characteristics of the scheme are:

- Digital platform for coordination across 16 ministries, including roadways and railways
- 'Gati Shakti' platform will subsume the infrastructure projects announced under the National Infrastructure Pipeline (valued at INR 111 trillion)
- Existing infrastructure schemes across ministries, such as Bharatmala (Roads), Sagarmala (Ports), UDAN (Air), Inland Waterways, Dry ports etc. will be incorporated in the platform
- The platform will also provide spatial data and implementation status for different projects
- Eleven industrial corridors and two defence corridors are also planned in the scheme, covering clusters for textile, pharmaceutical, fishing, electronics, agriculture etc.

Key targets set for different heads under the scheme are:

- Ports: Capacity of the major ports to be increased from 1,282 million tonnes in fiscal 2020 to 1,759 million tonnes in fiscal 2025
- National Waterways: Cargo movement to be ramped from 74 million tonnes to 95 million tonnes during fiscal 2020-25 period
- Railways: Target of 1,600 million tonnes by fiscal 2025, vis-à-vis 1,210 million tonnes in fiscal 2020
- MMLPs: Indian railways will setup 500 multimodal cargo terminals by fiscal 2025
- Others: Gas pipeline length to be doubled from 17,000 Km to 34,500 Km within the country, incremental renewable capacity of ~150 GW, power line capacity target of ~452,000 circuit Km by fiscal 2025

Make in India

The 'Make in India' initiative was launched in September 2014 to give a push to manufacturing in India and encourage FDI in manufacturing and services. The objective of the initiative was to increase the share of manufacturing in GDP to 25% by 2020 by boosting investment, fostering innovation, and intellectual property.

The other objective was building best-in-class infrastructure for manufacturing across sectors, including, but not limited to automobile, auto components, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems, food processing, mining, oil and gas, pharmaceuticals, renewable energy, thermal power, hospitality, and wellness.

To achieve this objective, a dedicated Investor Facilitation Cell was set up to assist investors in seeking regulatory approvals, hand-holding services through the pre-investment phase, execution, and after-care support. Key facts and figures, policies and initiatives and relevant contact details were made available through print and online media. Indian embassies and consulates proactively disseminated information on the potential for investment in the identified sectors in foreign countries while domestically, regulations and policies were modified to make it easier to invest in India.

FDI inflows have received an impetus, as India jumped to the eighth position in the list of the worlds' largest FDI recipients in 2020 compared with 12th in 2018, according to the World Investment Report 2022. FDI to India almost doubled to USD83.6 billion in fiscal 2022 from USD45.15 billion in fiscal 2015. However, during fiscal 2023, FDI inflow decreased to USD71 billion (provisional figure). According to Ministry of Commerce and Industry, FDI inflow in the last 9 fiscal years (2014-23: USD596 billion) has increased by 100% over the previous 9 fiscal years (2005-14: USD298 billion) and is nearly 65% of the total FDI reported in the last 23 years (USD 920 billion).

However, the share of manufacturing in GDP has not attained the intended levels of 25%. Hence, additional policies were announced, and targets rolled forward initially to 2022 and then to 2025. Domestically, multiple steps were taken to make sectors more attractive and ease investment processes. Some of the major steps taken included announcement of the NIP and reduction in corporate tax; various sectors such as defence manufacturing, railways, space, and single brand retail have been opened for FDI. Measures to boost domestic manufacturing were also taken through Public Procurement Orders (PPO), Phased Manufacturing Programme (PMP) and Production Linked Incentive (PLI) schemes, etc. Many states also launched their own initiatives on similar lines to boost manufacturing in their respective states.

Foreign Direct Investment (FDI)

FDI plays a pivotal role in economic growth, aiding development and shaping of the economic landscape. Through FDI route, international corporations can invest in India, capitalizing on the country's investment incentives offered by Indian government, including tax incentives and relatively competitive labour costs. This fosters job creation and offers various additional advantages along with facilitating the acquisition of technological expertise from global peers. Government bodies, such as Department for Promotion of Industry and Internal Trade (DPIIT), Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) formulates the regulations, and guidelines for FDI. DPIIT frames and implements policies to promote and regulate foreign investment in India across sectors. RBI manages the monetary aspects of foreign investments and SEBI regulates FDI in the capital market.

There are two FDI routes in India, the Government route and the Automatic route. The Automatic route allows foreign investors to invest in sectors without requiring prior approval from Indian government. Under this route, investors are only required to notify the RBI within a specified time frame. Whereas the Government route mandates prior approval from the Indian government or relevant authorities for investments in India. In April 2020, the DPIIT amended the FDI Policy, that the countries which shares a land border with India which include China, Bangladesh, Pakistan, Bhutan, Nepal, Myanmar, and Afghanistan, can invest only under the Government route. Shortly, it will be mandatory to obtain government approval for investments from these countries. FDI proposals from these countries must go through tight scrutiny and government has set up an inter-ministerial panel to review these proposals. All ministries and departments have been recommended to have dedicated FDI cells to process these proposals quickly. This policy thus restricted entry and expansion of Chinese OEMs including MG and Great Wall Motors in India by restricting them to invest or raise funds from China.

Summary of FDI in key Indian sectors

Sector	FDI Cap	Route
Automobile	100%	Automatic
Airports -Greenfield projects	100%	Automatic
Satellites- establishment and operation, subject to the guidelines of Department of Space/ISRO	74%	Government
Hospitals Sector	100%	Automatic

Sector	FDI Cap	Route
Defence	49% +	Government up to 100% of local defence ventures after obtaining approval

Source: DPIIT, CRISIL MI&A Consulting

Atmanirbhar Bharat Campaign

Atmanirbhar Bharat Abhiyan or the self-reliant India campaign was launched in May 2020 amid the Covid pandemic, with a special and comprehensive economic package of INR 20 trillion, equivalent to 10% of the country's GDP.

The scheme was launched with the primary intent of fighting the pandemic and making the country self-reliant based on five pillars: economy, infrastructure, technology-driven system, demography, and demand. The stimulus package announced by the government under the scheme consisted of five tranches, intended to boost businesses, including Micro, Small and Medium Enterprises (MSMEs), help the poor (including farmers), boost agriculture, expand the horizons of industrial growth, and bring in governance reforms in the business, health, and education sectors.

The mission emphasises the importance of encouraging local products and aims to reduce import dependence through substitution. It also aims to enhance compliance and quality requirements to meet international standards and gain global market share.

The government has also rolled out other reforms — namely, supply chain reforms for agriculture, rational tax systems, simple and clear laws, capable human resources, and a strong financial system. These reforms will further promote business, attract investment, and strengthen Make in India initiative.

PLI scheme provides boost to industrial investments in the short-to-medium term

The PLI scheme's primary objective is to make manufacturing in India globally competitive by removing sectoral obstacles, creating economies of scale and ensuring efficiency. It is designed to create a complete component ecosystem in India and make the country an integral part of the global supply chain. Furthermore, the government hopes to reduce India's dependence on raw material imported from China. The scheme is expected to boost economic growth over the medium term and create more employment opportunities, as many of the sectors covered under the scheme are labour-intensive. It will be implemented over fiscals 2022 to 2029.

The PLI scheme is a time-bound incentive scheme by the government which rewards companies in the 5-15% range of their annual revenue based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. The stronger-than-expected pick-up in demand and larger companies gaining share over smaller companies led to revival of capex in fiscal 2022. The rise in fiscal 2024 was on account of the expansion plans underway by India Inc.

Construction spends across industrial investments are seen rising 6-8% in fiscal 2024, driven by expansion in the oil and gas and metals segments. The growth is on a low base of fiscal 2023 where the sector faced a slight bump owing to geopolitical issues in the previous two fiscals. However, the PLI scheme is expected to provide the necessary boost to the sector.

Based on an analysis of eight key sectors, CRISIL MI&A Consulting estimates construction investment in the industrial segment at INR 4.0-4.1 lakh crore between fiscals 2023 and 2027, rising 1.3 times over spends seen between fiscals 2018 and 2022. The rise in investments is projected on account of inclusion of the PLI scheme in the capex investments of the industrial sector.

Budgeted incentives for each sector under the PLI scheme

Sector	Segment	Budgeted (INR bn) *	
Automobile	Advance chemistry cell (ACC) battery	181.0	751.4
	Automobiles and auto components	570.4	
Electronics	Mobile manufacturing and specified electronic components	409.5	545.15
	Electronic/technology products/IT hardware	73.25	
	White goods (ACE and LED)	62.4	
Pharma and medical equipment	Critical key starting materials/drug intermediaries and active pharmaceutical ingredients	69.4	253.6

Sector	Segment	Budgeted (INR bn) *	
	Manufacturing of medical devices	34.2	
	Pharmaceutical drugs	150.0	
Telecom	Telecom and networking products	122.0	122.0
Food	Food products	109.0	109.0
Textile	Textile products: man-made fibre (MMF) and technical textiles	106.8	106.8
Steel	Speciality steel	63.2	63.2
Energy	High-efficiency solar PV modules	240.0	240
Aviation	Drones and drone components	1.2	1.2
Total			**2,192**

(1) **Note: Approved financial outlay over a five-year period*
(2) *ACE: Appliance and consumer electronics; LED: Light-emitting diode*

Source: Government websites, CRISIL MI&A Consulting

An outlay of union budget of INR 751.4 billion for automobiles, auto components and ACC:

INR 570.4 billion allotted for enhancing India's manufacturing capabilities or automobile and auto component industry - Advanced Automotive Products (AAT). The scheme has two components viz. Champion OEM Incentive Scheme and Component Champion Incentive Scheme. A total of 95 applicants have been approved under this PLI scheme.

INR 181 billion under the 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' for achieving manufacturing capacity of 50 Giga Watt Hour (GWh) of ACC. Four companies have been selected till date for incentive under the PLI Scheme for ACC battery storage.

PLI scheme for the automotive industry: The PLI scheme for the automotive industry intends to promote high-tech green manufacturing, ATT vehicles such as electric and hydrogen fuel cell vehicles. This scheme excludes conventional petrol, diesel, and CNG segments (internal combustion engines), as they have sufficient capacities in India In the auto components category, more than 100 ATT components including hydrogen fuel cells, hydrogen injection systems, EV motors and lightweight cryogenic cylinders are eligible for PLI.

The PLI scheme targeting auto parts includes the following component schemes:

Champion Original Equipment Manufacturers (OEM) Scheme: It is a sales value-linked plan, applicable to battery electric and hydrogen fuel cell vehicles of all segments.

Component Champion Incentive Scheme: It is a sales value-linked plan for advanced technology components, complete- and semi-knocked down (CKD/SKD) kits, vehicle aggregates of two-wheelers, three-wheelers, passenger vehicles, commercial vehicles, and tractors, including automobiles meant for military use and any other advanced automotive technology components prescribed by the Ministry of Heavy Industries – depending upon technical developments.

PLI scheme for the Automotive and Advanced Chemistry cells (ACC): The policy on Advanced Chemistry Cell (ACC) Battery Storage was approved by the Government of India on May 2021 with budgetary outlay of INR 18,100 crores for setting up manufacturing facilities with a total manufacturing capacity of 50 Giga Watt Hour (GWh). This policy will strengthen the ecosystem for electric vehicles and Battery Storage in the country. The policy aims to enhance India's manufacturing capabilities of ACC by setting up of Giga scale ACC battery manufacturing facilities in India with emphasis on maximum domestic value addition.

GST structure for the industry

The two taxes charged to the end consumer on cars and bikes previously were excise and VAT, with an average combined rate of 26.50% to 44% which is higher than the GST rates of 18% and 28%. Therefore, there has been less burden of tax on the end consumer under GST since 2017. Importers/dealers can cheer as they would be able to claim the GST paid on goods imported/sold whereas previously, they were ineligible to claim the excise duty and VAT paid.

Excise paid on stock transfer would be covered by IGST under the GST law. Advance received for supply of goods is also taxed under GST. GST helps the manufacturers in procuring auto parts at a cheaper cost due to an improved supply chain mechanism under GST. GST on cars and bikes is kept under the 28% bracket and a list of cesses to be levied on different kinds of automobiles has also been declared by the Indian government which is ranging from 1 to 22%.

GST and cess rate on automobiles based on fuel type

Category of Car Model	GST Rate	Compensation Cess (%)
Electric Vehicles	5%	Nill
Hydrogen Fuel Cell Vehicles	12%	Nill
Passenger Vehicles (Petrol, CNG, LPG) up to 4m in length and up to 1200 cc engine	28%	1%
Passenger Vehicles (Diesel) up to 4m in length and up to 1500 cc engine	28%	3%
Passenger Vehicles (up to 1500 cc engine)	28%	17%
Passenger Vehicles (Above 1500 cc engine)	28%	20%
Passenger Vehicles popularly known as SUVs (above 4m in length, above >1500 cc engine and >170 mm ground clearance)	28%	22%
Hybrid Passenger Vehicles (up to 4m and up to 1200 cc engine Petrol) or (up to 4m and up to 1500 cc engine Diesel)	28%	Nill
Hybrid Passenger Vehicles (Above 4m or above 1200 cc engine Petrol or above 1500 cc engine Diesel)	28%	15%

Source: SIAM, CRISIL MI&A Consulting

Review and outlook of the global two-wheeler industry

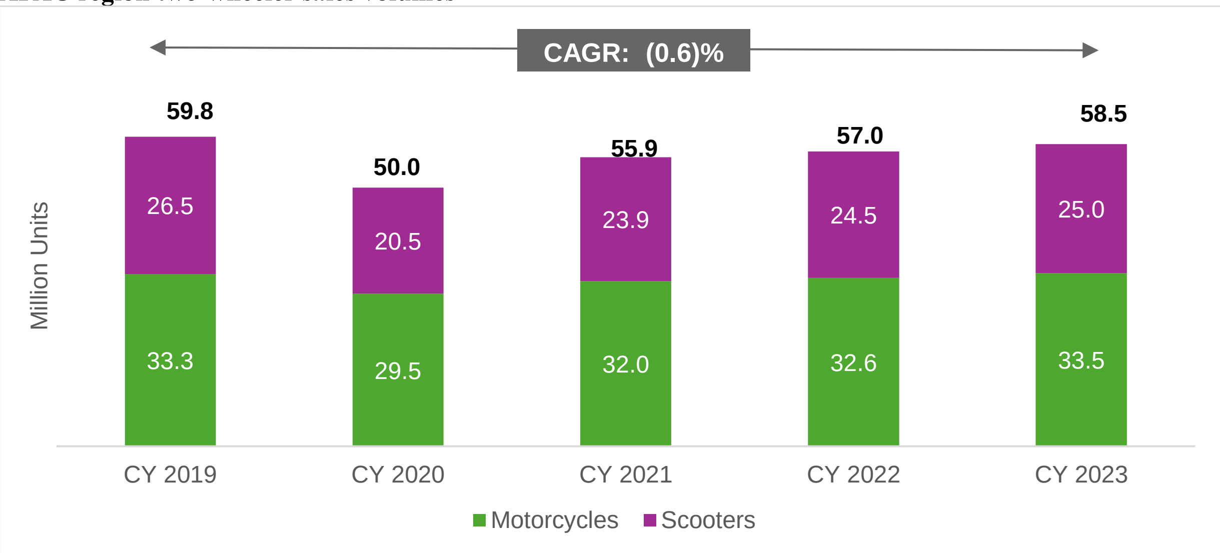
Review of the global two-wheeler industry (CY 2019 to 2023

Asia Pacific Region (APAC)

Within the APAC region, India is the largest contributor (30% share in 2023 followed by China (26% share) and ASEAN countries (22% share) Other APAC countries like Japan, Australia, New Zealand, South Korea have relatively limited share in regional sales.

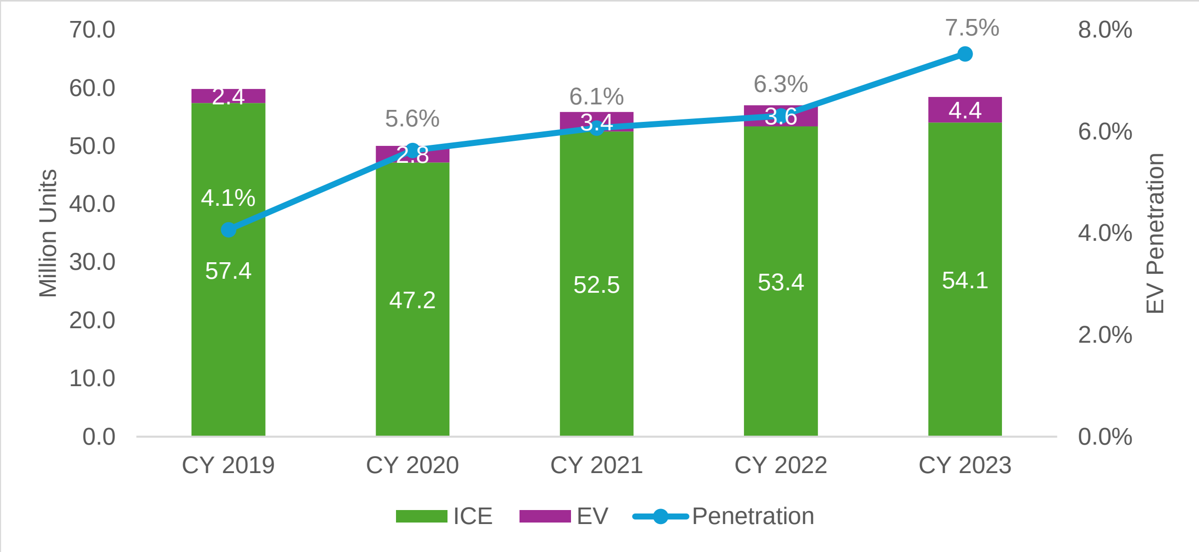
During the 2019- 2023 period, two-wheeler sales in the APAC region remained near steady (0.6% CAGR drop) at volumes of ~59 million. During CY2019-2023 period, the major contributors, including India, China, Indonesia, Vietnam witnessed contraction in two-wheeler sales.

APAC region two-wheeler sales volumes



Source: MORDOR Intelligence

APAC region two-wheeler sales powertrain split



Source: MORDOR Intelligence

During CY2019-2023, EV sales grew at 16% CAGR while the ICE vehicle sales dropped at 1.5% CAGR. The higher traction for EVs, backed by government incentives, expanding vehicle portfolio, rising awareness, lower operating costs, helped the EV penetration to reach 7.5% during CY2023 from 4.1% in CY 2019.

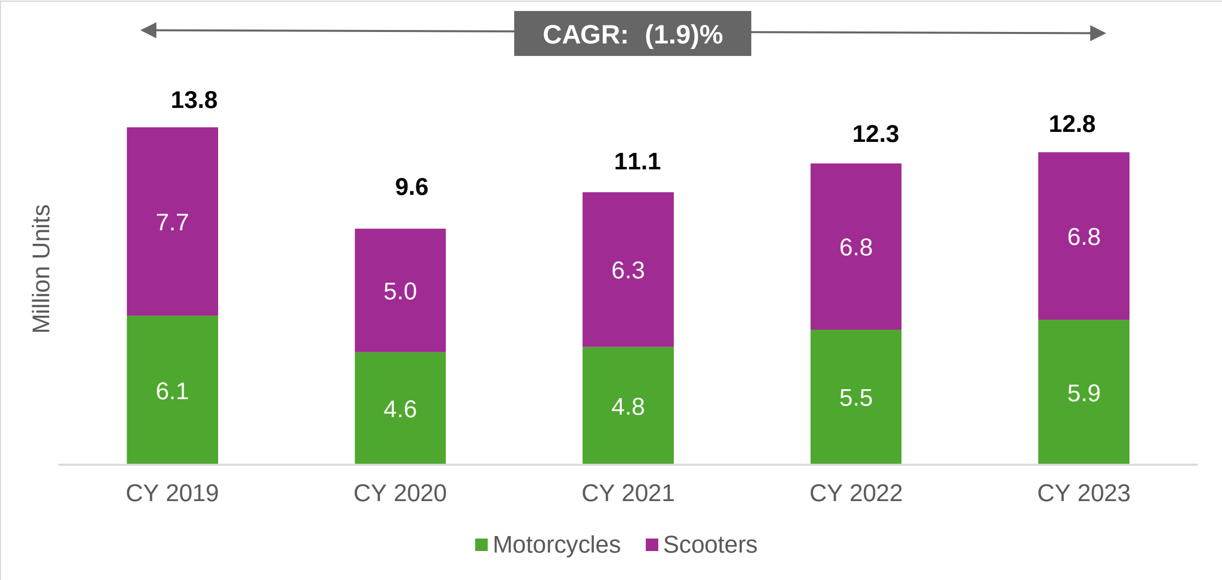
EV sales within scooters increased at 15.8% CAGR and in turn the penetration within scooters increased from 8.2% in CY2019 to 15.6% by CY2023. Even, motorcycles witnessed increase in EV penetration during the same period- 0.8% in CY2019 to 1.5% in CY2023. EV penetration within motorcycles is relatively lower across countries and although it has grown at a slightly faster rate of 17.1% CAGR during CY2019-2023 period.

ASEAN – Part of APAC

The ASEAN region is another sizeable contributor to overall global two-wheeler sales. It is part of the overall APAC region. ASEAN countries contribute about 20-22% to the APAC region two-wheeler sales. Two-wheelers are the primary mode of transportation for a sizeable portion of customer base within the ASEAN region.

During CY2019-2023 period, two-wheeler sales in the ASEAN region contracted at 1.9% CAGR where major contributors within the ASEAN region, Indonesia (1% CAGR drop), Vietnam (6.2% CAGR drop), Philippines (2.3% CAGR drop) witnessing contraction during the period. Thailand, on the other hand, clocked 2% CAGR growth from CY2019 levels.

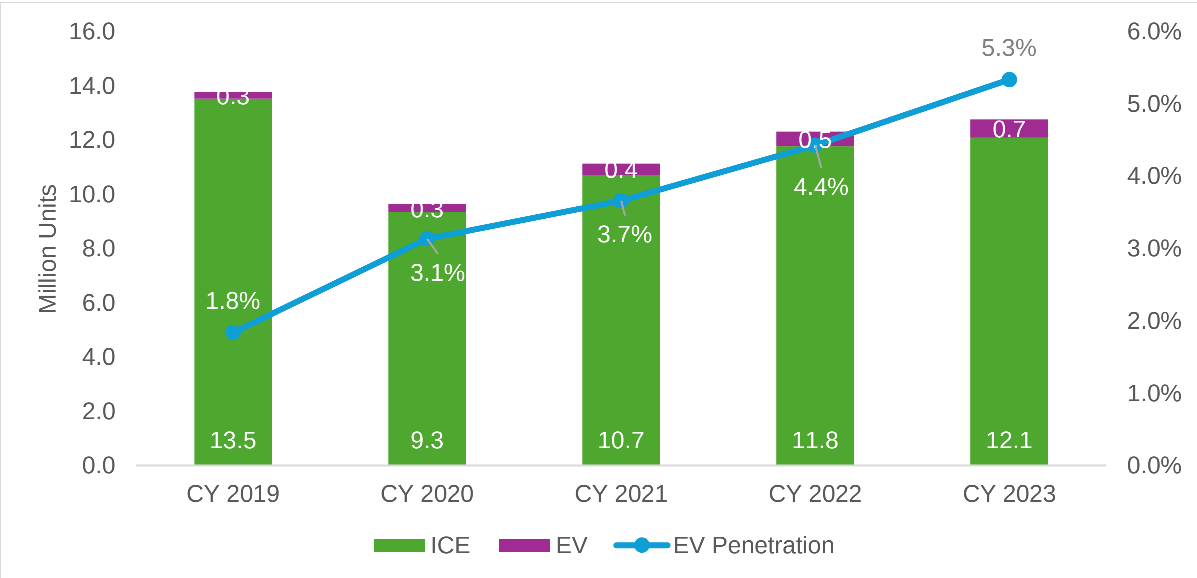
ASEAN region two-wheeler sales volumes



Source: MORDOR Intelligence

In ASEAN region, scooters are the leading contributors and enjoy high customer preference given its competitive pricing, ability to carry load, manoeuvrability, and preference from women riders. However, during CY2019-2023, scooter sales contracted at a faster pace of 2.9% CAGR compared to a 0.7% CAGR drop witnessed by motorcycles. Motorcycles clocked faster pick up after the pandemic hiatus in few large contributing countries like Indonesia and Thailand restricting the drop in overall motorcycle sales.

ASEAN region two-wheeler sales powertrain split



Source: MORDOR Intelligence

Although overall scooter sales dropped at 2.9% CAGR, e scooters clocked a healthy 26.9% CAGR growth led by lower operating costs, expanding portfolio and continued government support. The healthy growth in e scooter sales supported the EV penetration within scooters- from 3.2% in CY2019 to 9.4% in CY2023.

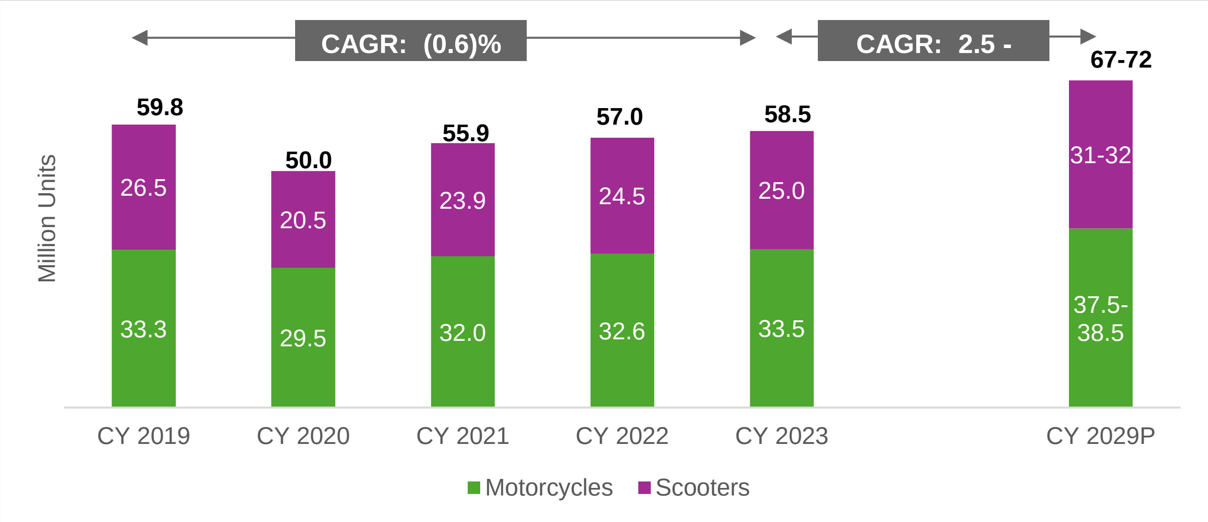
EV penetration is much lower in motorcycles, although it has grown from 0.1% in CY2019 to 0.6% in CY2023.

Outlook of the global two-wheeler industry (CY 2023 to 2029)

Asia Pacific Region (APAC)

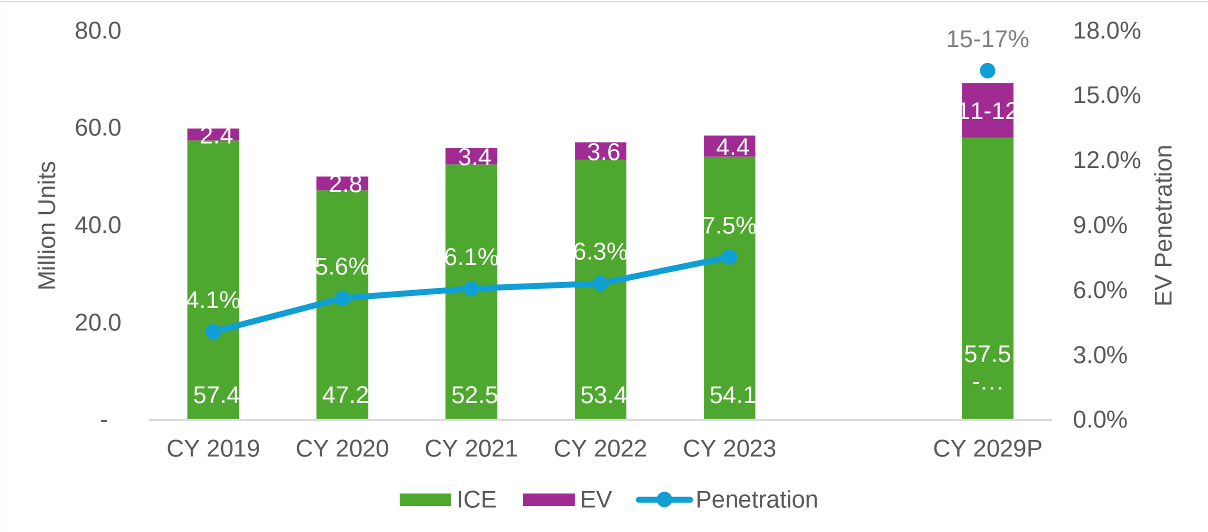
One of the largest contributors to the global two-wheeler sales, is expected to grow at an accelerated pace going forward led by the expected improvement in macro-economic scenario- rising GDP, moderate inflation, expanding vehicle portfolio, rising electrification as well as continued demand for scooters. According to Mordor Intelligence estimates, during CY2023-CY2029, two-wheeler sales in the APAC region are projected to grow at 2.5-3.5% CAGR and reach 67-72 million by CY2029.

APAC region two-wheeler sales volumes outlook



Source: MORDOR Intelligence

APAC region two-wheeler sales powertrain split outlook

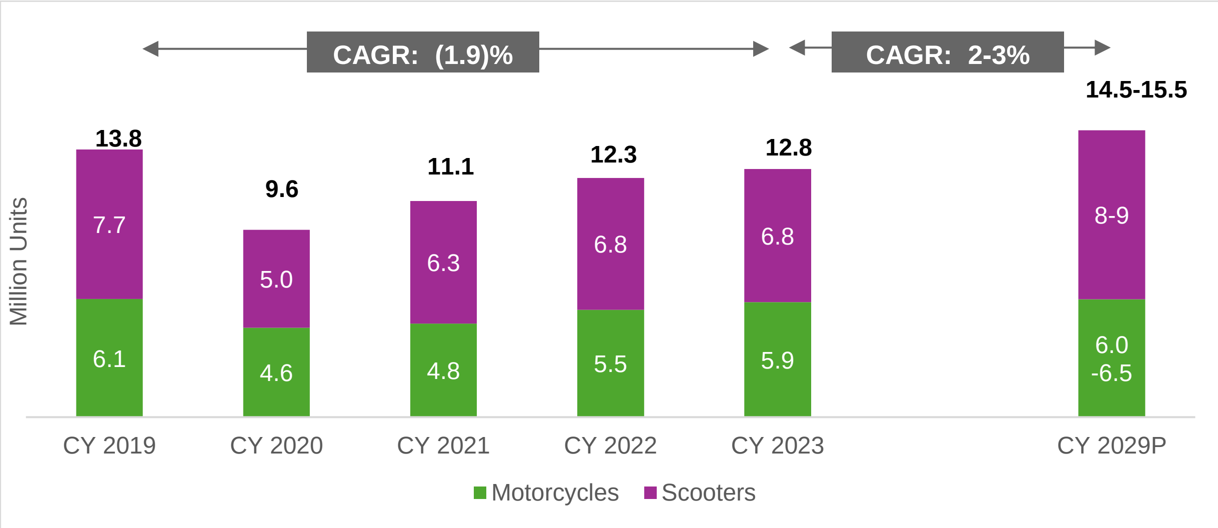


Source: MORDOR Intelligence

ASEAN – Part of APAC

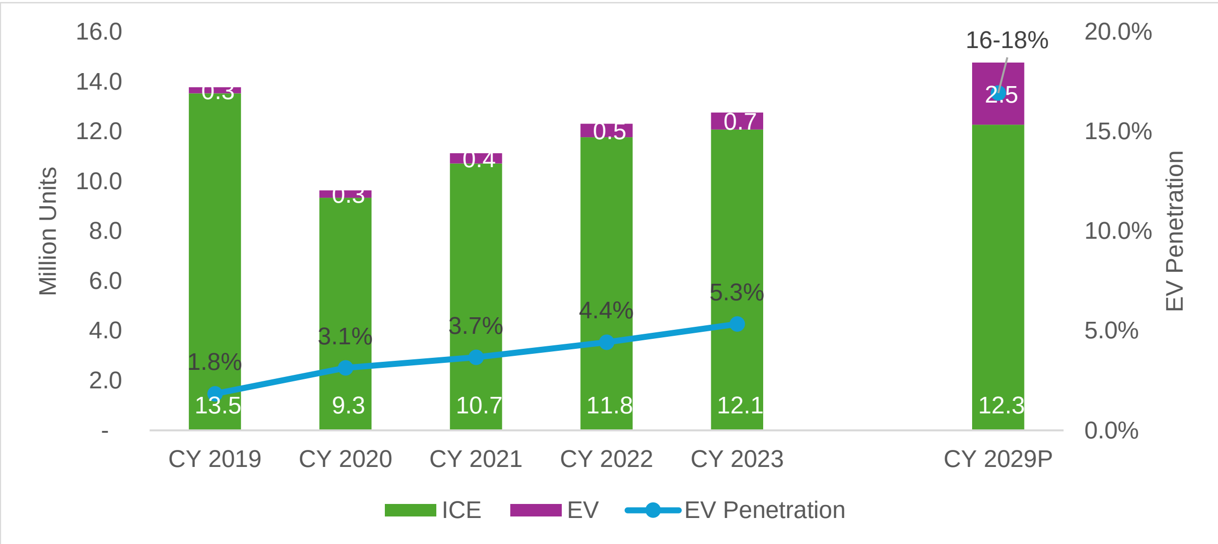
ASEAN region, a sizeable contributor to APAC as well as global two-wheeler sales, is also expected to provide an accelerated push to the two-wheeler sales. Two-wheeler sales for the ASEAN region contracted at 1.9% CAGR till CY2023. Going ahead, the sales are projected to clock a 2-3% CAGR till CY2029 and reach volumes of 14.5-15.5 million by CY2029.
Vietnam, Philippines, Malaysia, Thailand are projected to spearhead this growth with ~3%, ~3%, ~4% and 2-2.5% projected CAGR growth with the largest contributor Indonesia (49% share in ASEAN sales) to also grow at ~2% CAGR till CY2029.

ASEAN region two-wheeler sales volumes outlook



Source: MORDOR Intelligence

ASEAN region two-wheeler sales powertrain split outlook



Source: MORDOR Intelligence

Review and outlook of Indian two-wheeler industry

Review of Indian two-wheeler industry (fiscal 2019 to 2024)

Domestic two-wheeler industry

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in fiscal 2024. Two-wheeler sales constituted 73% of the total auto market comprising two-wheeler, three-wheelers, passenger vehicles (PVs), commercial vehicles (CVs) and tractors by volume in fiscal 2024.The passenger vehicle segment contributed around 17% to the Indian auto industry while CVs contributed about 4% and three wheelers and tractors contributed 3% each.

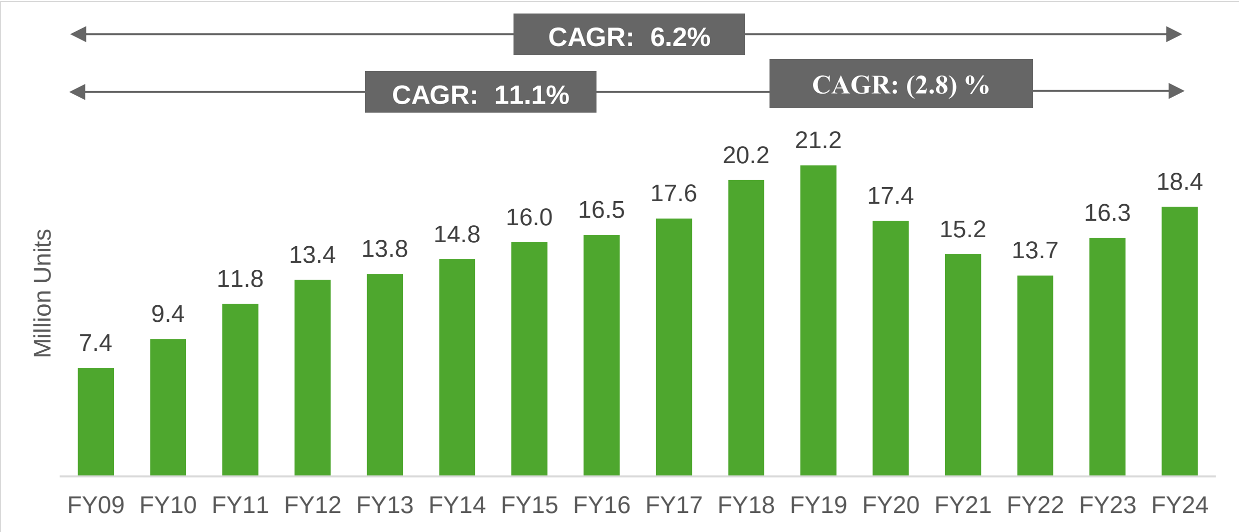
The two-wheeler segment sees a healthy demand in India and is preferred over four wheelers by most of the Indian population especially for their regular commute. This is primarily due to the lower acquisition cost, higher mileage, lower maintenance costs, ease of navigation especially during the traffic hours, hassle free parking and suitability on rugged roads of two-wheelers.

In the last 15 years, domestic two-wheeler industry has grown at a CAGR of 6.2% and reached a volume of 18.4

million in fiscal 2024. In fact, until fiscal 2019, the industry has accelerated at a much faster pace of 11.1% CAGR and reached a historic high of volumes of 21.2 million.

During fiscal 2009 to fiscal 2019, India's GDP as well as private final consumption expenditure grew at a healthy pace of 7% CAGR. Moreover, inflation levels were on a tapering trend reaching ~3% levels in fiscal 2019. This favourable macro-economic environment led to a rise in disposable incomes and provided a thrust to the industry growth during the decade. Additionally, the expansion in vehicle portfolio by OEMs, accelerated growth in scooters segment and a healthy growth of premium motorcycles (=>125 cc) subsegment provided additional support to the industry growth during the decade. These favourable factors helped the two-wheeler industry reach a historic high of 21.2 million volumes in fiscal 2019. These record sales were despite the higher-than-normal price rise (due to BSIV implementation (fiscal 2018)) as well as GST implementation (fiscal 2018) and demonetization (fiscal 2019) that limited growth of the industry.

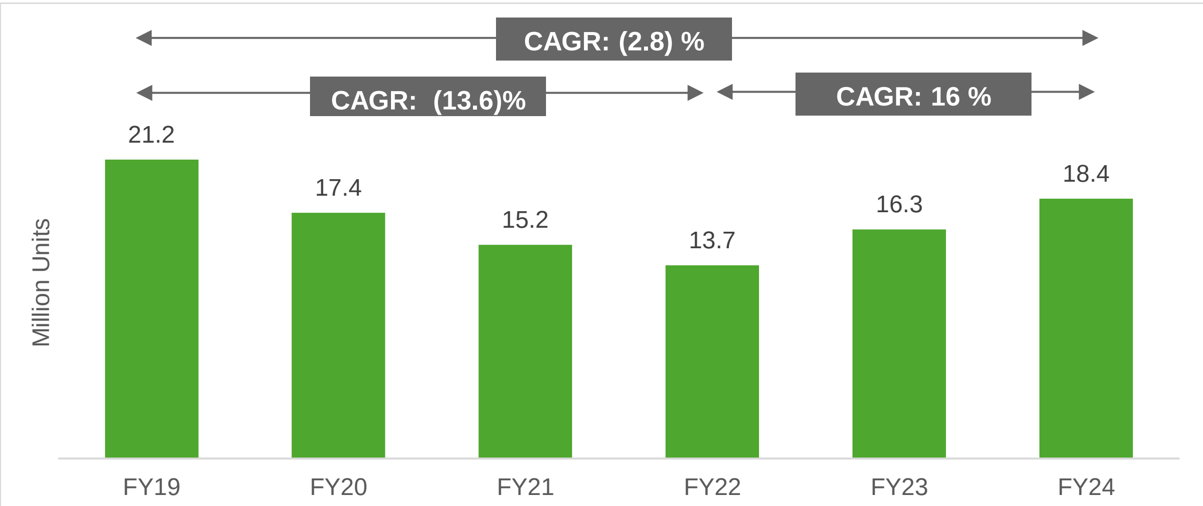
Domestic two-wheeler sales volume trend – fiscal 2009 to fiscal 2024



Note: Figures in bracket to be read as negative (Eg. (10) to be read as minus 10), Data for ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, CRISIL MI&A

However, in the next 4 years, fiscal 2019- fiscal 2022, the industry witnessed contraction at 13.6% CAGR amidst the pandemic, nationwide lockdowns, reduced mobility, unfavourable microeconomic scenario, closure of schools, colleges and offices, and work from home impacting the demand for two-wheelers.

Domestic two-wheeler sales volume trend – fiscals 2019 to fiscals 2024



Y-o-Y Growth	FY20	FY21	FY22	FY23	FY24
	-18%	-13%	-10%	19%	13%

Note: Figures in bracket to be read as negative (Eg. (10) to be read as minus 10), Data for ICE and EVs; EV retail data from VAHAN has been considered.

Source: SIAM, VAHAN, CRISIL MI&A

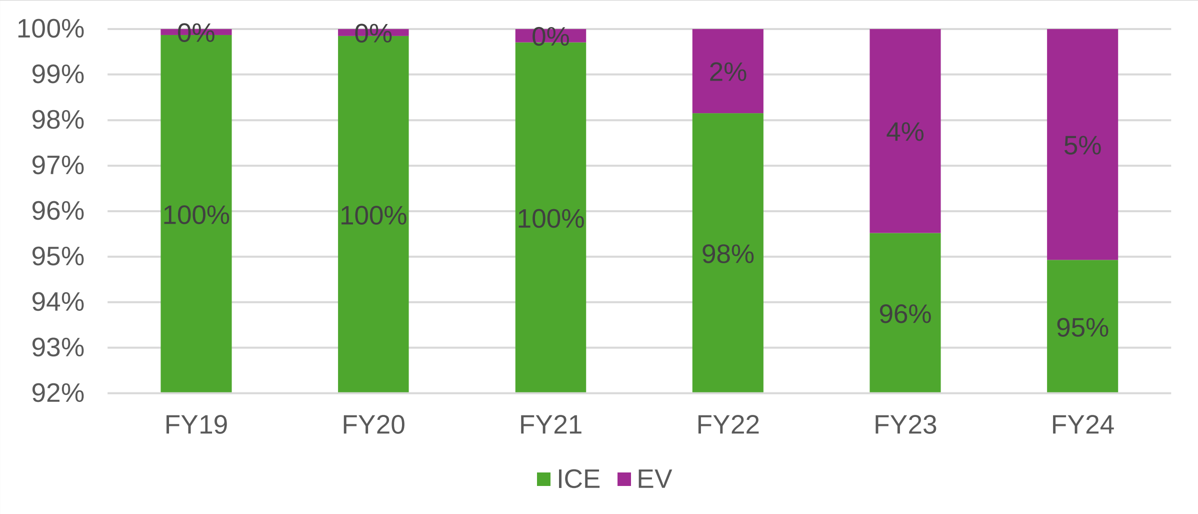
On the reduced base of fiscal 2022, two-wheeler sales rebounded in fiscal 2023 and recorded a healthy growth of 19%, driven by improving demand sentiments and the normalization of economic activities and increased mobility. The pent-up demand, because of the postponement done during the pandemic period and sharp rise in scooters demand with restarting of colleges and offices provided thrust to the industry demand. Despite normalisation of public transport, improved frequency of intracity bus and railway services; the demand for the last mile mobility and in turn the demand for two-wheelers remained buoyant during the year.

Over and above this, the EV segment retail sales nearly tripled during the year giving an added fillip to the overall sales in fiscal 2023.

However, the higher interest outgo with increased repo rates and further increase in vehicle prices restricted the growth of two-wheeler industry sales during fiscal 2023.

2W industry sales further increased 13% further during fiscal 2024 backed by further improvement in macro-economic scenario, rural support, continued traction for premium motorcycles as well as scooters. Furthermore, continued demand for 2W EVdespite the subsidy cut supported the growth in fiscal 2024. The new launches especially in the premium segments provided an added support to the demand. Additionally, commuter motorcycles segment witnessed some improvement during the year after consecutive contractions aided by limited rise in operating costs as well as increased customer incentives.

Domestic two-wheeler ICE-EV sales split trend (ICE vs EV)



Source: SIAM, VAHAN, CRISIL MI&A

Y-o-Y growth	FY19	FY20	FY21	FY22	FY23	FY24	FY19-24 CAGR
ICE	4.9%	-17.8%	-13.2%	-11.1%	15.5%	12.7%	-3.7%
EV	N.M.*	-4.1%	67.0%	464.1%	187.9%	28.5%	101.7%

Source: SIAM, VAHAN, CRISIL MI&A; N.M. Not Meanigful

The two-wheeler sector is experiencing robust growth driven by several factors such as Connected, Autonomous, Safety and Electrification. Further, there is a shift in the 2W industry with consumers demanding connected vehicles with advanced telematics, which is also accentuated by the increased sales of high-speed 2W EV

In the last 5 years, the electrification within the two-wheeler industry has provided a thrust to the industry sales. Even during the years, when the ICE vehicle sales slid, the sharp rise in EV retails restricted the drop in industry sales volumes. During fiscal 2019 to fiscal 2024 period, ICE segment contracted at 3.7% CAGR and EV retails skyrocketed with a 101.7% CAGR, albeit from a lower base, which arrested the drop in the industry sales.

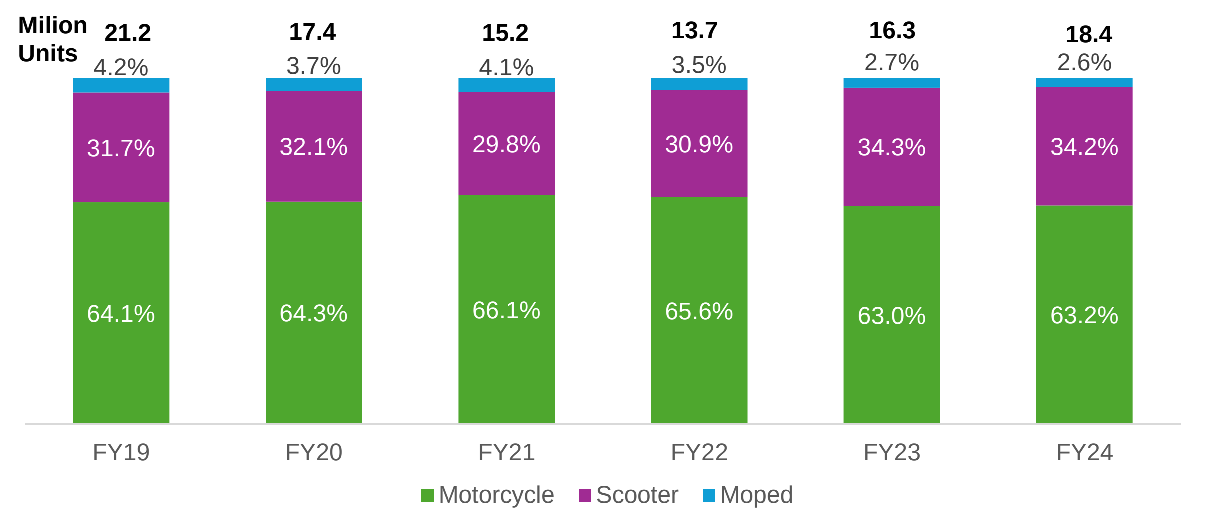
Segment wise domestic sales trend

Motorcycles dominate the domestic two-wheeler industry sales with more than 60% contribution to the annual domestic sales. However, their contribution has gradually contracted over the years, from 78% in fiscal 2009 to

63% by fiscal 2024.

On the other hand, the scooters segment expanded its presence over the long-term horizon; from 15% in fiscal 2009 to 34% in fiscal 2024. The mopeds segment also lost some ground to scooters over the years, from around 6% share in fiscal 2009 to ~3% in fiscal 2024.

Domestic two-wheeler sales segmental trend – fiscals 2019 to 2024



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered
Source: SIAM, VAHAN, CRISIL MI&A

Scooters

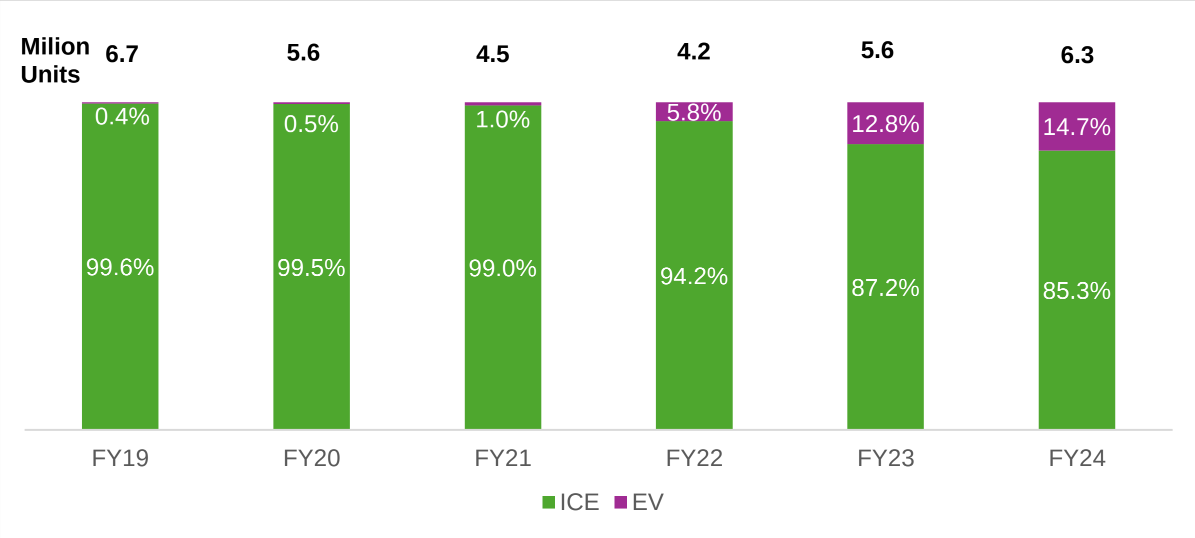
In the last 5 years, share of scooters increased from 31.7% in fiscal 2019 to 34.2% in fiscal 2024. The share of the scooters segment increased on the back of strong demand from new model launches (like the Dio 125, Avenis, upgrades of Activa, Jupiter as well as e scooters), increasing usage of scooters by working women in urban areas (due to high convenience) and a growing preference as a second vehicle in households. Multiple ownerships of vehicles including a passenger vehicle, multiple two-wheelers in a single family have risen, boosting demand.

Scooters also found acceptance in rural areas with increasing road penetration and scooters emerging as utility vehicles. Earlier, the scooter was positioned primarily as an urban vehicle. Now, it has gradually evolved to become a preferred way of commute for females in rural areas as well.

Thus, even in the industry slowdown during fiscals 2019-2024 period, the overall scooters segment contracted at the slowest pace of 1.3% CAGR vis a vis 3.0% CAGR contraction for motorcycles and 11.4% CAGR contraction for mopeds. Sharp rise in e-scooter sales as well as model launches especially in the premium (=> 125cc) scooters segment restricted the drop in scooter sales.

During the pandemic, reduced need for mobility due to lockdowns, closure of schools/ colleges and offices impacted the scooter demand significantly. Sales of scooters (ICE+ EV) witnessed a sharp drop of 19% in fiscal 2021 and a further drop of 6% in fiscal 2022. However, scooter sales rebounded in fiscal 2023 led by reopening of offices, schools and colleges. Pent up demand from the last two years provided the thrust to the scooters sales. Moreover, the increased retails of e-scooters provided an additional boost to the scooter sales during the year. Scooters segment grew at a faster pace of 32% y-o-y compared to 14% growth witnessed in motorcycles, thus backing the share expansion of scooters during the fiscal 2023. During fiscal 2024, both motorcycles and scooters increased at a healthy pace of around 14% keeping the share near steady.

ICE vs EV share split within domestic scooter sales – fiscals 2019 to 2024



Note: EV retail data from VAHAN has been considered
Source: SIAM, VAHAN, CRISIL MI&A

Within the scooters segment, EV scooters witnessed growth at an accelerated pace and contributed a sizeable share of 14.7% to overall scooter sales in fiscal 2024. Launch of new models, government incentives, rising awareness, increased acquisition and operating costs for the ICE equivalents provided boost to the EV sales during the fiscal 2019-2024 period. The EV scooters clocked growth at 101% CAGR in the last 5 years and their penetration within the scooters segment rose from 0.4% in fiscal 2019 to 14.7% in fiscal 2024.

On the other hand, the ICE scooter segment witnessed contraction amidst the reduced mobility, increased vehicle prices (due to BSVI compliance), higher operating costs (fuel price hike), increased interest outgo as well as increased competition from EVs. During fiscal 2019 to fiscal 2024 period, ICE scooter sales contracted at 4.3% CAGR.

Even within ICE scooters, the dominant 110 cc scooter segment (80% share in fiscal 2019) saw a sharp decline at 11.5% CAGR. The customer base of 110 cc scooters is relatively price conscious. The increased ownership and operating costs as well as reduced usage requirement during the pandemic years led significant postponement of purchase from this customer segment. Additionally, the shift towards premium ICE scooters (=>125 cc) as well as EVs exacerbated the situation for the 110 cc ICE scooters. In turn, their share within the ICE scooter segment, slid from ~80% in fiscal 2019 to 53% by fiscal 2024.

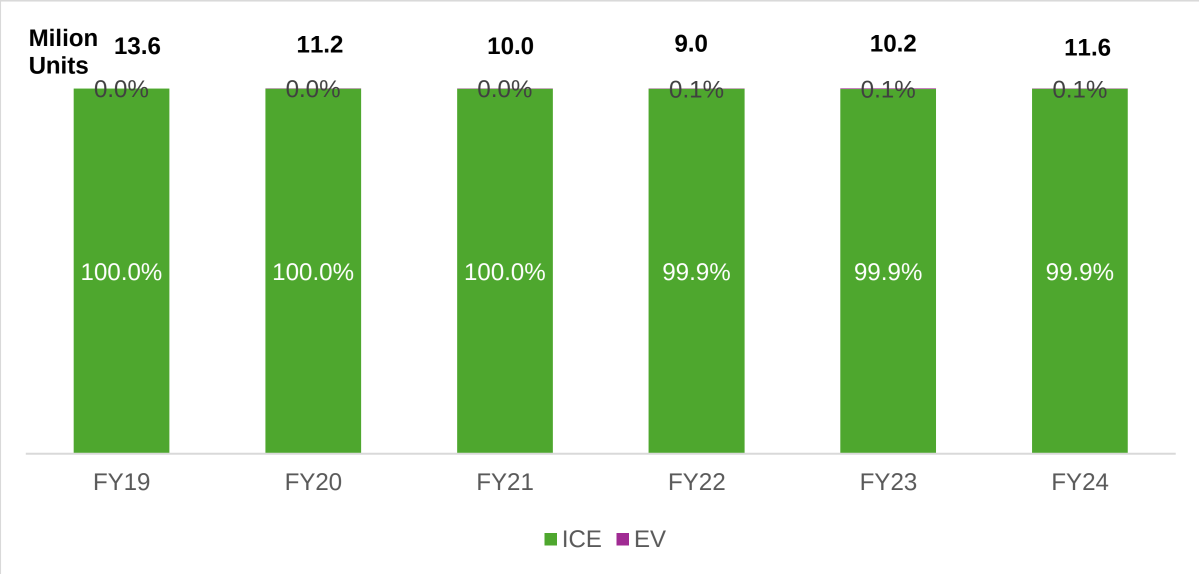
Contrarily, the premium scooters (=>125 cc) segment, clocked a growth at 12% CAGR during the period, albeit from a smaller base. A relatively price agnostic customer base, feature rich attractively designed vehicles, young buyers that prefer high performance and advanced features, auto OEM focus, multiple vehicles launches and premiumization trend aided the growth of this segment. The share of premium scooters within the ICE scooter segment rose from about 20% in fiscal 2019 to 47% by fiscal 2024.

Motorcycles

In the overall domestic sales, motorcycles have maintained their leading position in the last 5 years, however, they lost some ground to scooters during the period. During the pandemic period of fiscal 2021 and fiscal 2022, reduced requirement of scooters and continued requirement of motorcycles especially for daily commute amidst the lack of availability of public transportation backed the demand for motorcycles and restricted their fall.

During the pandemic, availability of public transportation was limited, even the shared mobility options including office buses and taxis were restricted making personal vehicles including motorcycles the primary option for daily commute especially for the blue-collar workers and rural customer base. Relatively prosperous customers, women commuters especially from urban background were utilizing the work from home option or their four wheelers limiting the requirement of scooters during that period. This aided the moderate market share expansion during fiscal 2021. Post pandemic, improving mobility and gradual rise in scooters demand caused the share of motorcycles to contract in the next 3 fiscals and reach 63% by fiscal 2024.

ICE vs EV split within domestic motorcycles sales – fiscals 2019 to 2024



Note: EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, CRISIL MI&A

Unlike scooters, the EV penetration within motorcycles has remained inconsequential amidst lack of EV options. Few OEMs like Revolt offered EV motorcycles from fiscal 2020. Manufacturers like Tork and Ultraviolette also introduced their e bikes/ motorcycles in the next 2 or 3 years. However, given limited vehicle options that too in the premium motorcycles category, higher acquisitions costs, larger range anxiety concerns due to higher daily running for motorcycles; the adoption of EVs within motorcycles was only gradual and reached only 0.1% of overall motorcycle sales by fiscal 2024. And the ICE variants continued to dominate the motorcycle sales. However, even within the ICE motorcycles, the premium motorcycles segment (=>125 cc) has witnessed 3% CAGR growth during fiscal 2019-2024 period while the commuter motorcycles segment (<=110 cc) contracted at a rapid pace of 8% CAGR.

The price sensitive commuter segment (62% share in fiscal 2019) has been under pressure amidst the sharp rise in vehicle prices due to emission and safety norms, increased insurance costs, hike in fuel prices, escalated interest costs coupled with pressure on incomes of this customer segment especially during the pandemic. The commuter motorcycle segment witnessed 3 years of consecutive contraction between fiscal 2020 to fiscal 2022 (16% CAGR drop till fiscal 2022).

On this lowered base, commuter motorcycles segment saw some growth during fiscals 2023 and 2024 aided by the pent-up demand and added support from OEMs in the form of discounts and other incentives. However, for the complete 5-year period, the commuter motorcycles segment witnessed contraction at 8% CAGR.

On the other hand, the premium motorcycles segment witnessed growth at 3% CAGR backed by lower impact of the pandemic on the financially stable customer base, higher OEM focus with increased vehicle launches, feature rich attractive vehicle introductions, and entry of global players like Harley, Triumph with India focussed models on the premium motorcycles segment. High performance tech enabled vehicles see higher acceptance among the rising younger buyer base who view vehicle as an extension of their personality. Thus, the share of premium motorcycles, within the ICE motorcycles, increased from 38% in fiscal 2019 to 52% by fiscal 2024.

Segmental growth within the industry in the last 5 years

Segment	FY19-FY24 CAGR	FY19 share	FY24 share
Motorcycles	**(3.0) %**	**64.1%**	**63.2%**
ICE	(3.1) %	64.1%	63.1%
EV	NM	0.0%	0.1%
Scooters	**(1.3) %**	**31.7%**	**34.2%**
ICE	(4.3) %	31.6%	29.2%
EV	101.3%	0.1%	5.0%
Mopeds	**(11.4) %**	**4.2%**	**2.6%**

Segment	FY19-FY24 CAGR	FY19 share	FY24 share
Total	(2.8) %	100%	100%

Note: NM: Not meaningful; Figures in bracket to be read as negative (E.g. (10) to be read as minus 10), EV retail data from VAHAN has been considered.
Source: SIAM, CRISIL MI&A CONSULTING

The smallest segment of mopeds witnessed a contraction during fiscal 2019-2024, amidst the increasing adoption of scooters in the semi-urban and rural markets — historically major markets for the moped —led to a loss in the market share of mopeds. Limited product portfolio and no new launches also impacted the sales of this segment. Moreover, the pressure on the income of the bottom of the pyramid customer base of mopeds as well as increased operating expenses due to increased fuel costs, higher interest outgo; demand for the segment got impacted. In turn, the share of mopeds dropped from 4.2% in fiscal 2019 to 2.6% in fiscal 2024.

Cost of Ownership Comparison - EV vs ICE

For the total cost of ownership (TCO) calculation, an annual running of 8000 km is considered, i.e., 25 km per day for 325 days of operation per year. A 7-year holding period is considered, assuming no battery replacement happens during the ownership period.

As of fiscal 2024, TCO of an 2W EV, even without a subsidy, was 37% lower than that of an ICE 2W for an annual running of 8,000 km. With subsidy this difference increased to 55% for fiscal 2024.

Going ahead, by fiscal 2031, 2W EV ownership is expected to become financially more lucrative. For an annual running of 8,000 km, the 2W EV TCO is projected to be 52% lower than its petrol counterpart even without the subsidy. Total cost of ownership for an 2W EV is decreasing over the years amidst the lowering global battery prices, economies of scale and improving technology resulting in higher manufacturing efficiency of the electric vehicles.

Despite the favourable TCO, the acquisition cost for an 2W EV was more than 40% higher than its ICE counterpart during fiscal 2024. However, the price gap between the two is expected to narrow going ahead, with expected decline in battery prices. Considering the GST and road tax benefits to continue, the price gap between the acquisition costs of EV and ICE are projected to shrink to 5-10% by fiscal 2031.

TCO for seven-year ownership without subsidy

Year/Annual Running	3,000 km	6,000 km	8,000 km	10,000 km	12,000 km
Fiscal 2024	5% lower cost than petrol	28% lower cost than petrol	37% lower cost than petrol	44% lower cost than petrol	49% lower cost than petrol
Fiscal 2031	32% lower cost than petrol	46% lower cost than petrol	52% lower cost than petrol	56% lower cost than petrol	60% lower cost than petrol

TCO for seven-year ownership with subsidy

Year/Annual Running	3,000 km	6,000 km	8,000 km	10,000 km	12,000 km
Fiscal 2024	34% lower cost than petrol	49% lower cost than petrol	55% lower cost than petrol	59% lower cost than petrol	62% lower cost than petrol
Fiscal 2031	32% lower cost than petrol	46% lower cost than petrol	52% lower cost than petrol	56% lower cost than petrol	60% lower cost than petrol

(3) *Note:*
(4) *Convenience ICE scooter and Convenience E scooter have been considered for the comparison*
(5) *Subsidy Scenario includes both Central and State subsidy and have been considered till fiscal 2026, no subsidy is considered between fiscal 2026 and fiscal 2036*
(6) *Above analysis is done without considering battery replacement*
(7) *In case of battery replacement, TCO for an EV was 41% lower than ICE vehicle TCO in fiscal 2024 and it will be 55% lower than ICE vehicle TCO by fiscal 2031 considering 8000 km annual running, 7 year holding period and no subsidy.*
(8) *According to Ather Energy, battery packs can last for 7 years without a battery replacement, however, the battery can degrade in case of extreme use cases such as excessive use of fast charging, accidental damages, lack of periodic maintenance, use of unauthorized chargers, extended exposure to temperatures higher than 50 degrees Celsius and prologued idle periods.*

Source: CRISIL MI&A

EVs currently offer much better technological features compared to an ICE vehicle. For example, premium variants of the EVs are equipped with touch screen HMI, Bluetooth and LTE connectivity. However, premium ICE counterparts offer only Bluetooth connectivity and basic smart connected features.

The acquisition cost of a comparable ICE 2W with Bluetooth connected features is currently 60%+ lower than the EV variant with a Touchscreen display and the software pack.

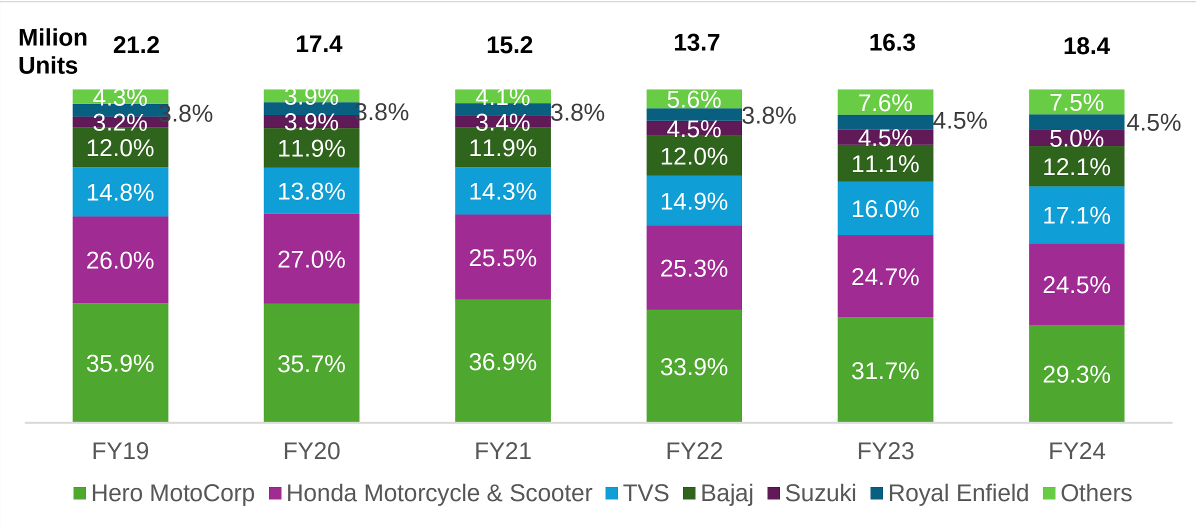
By fiscal 2031, the acquisition price gap between the ICE vehicle (with a touchscreen, connected features) and a comparable EV will narrow down to 8-12%.

Competitive landscape of the domestic two-wheeler industry

India's Two-wheeler industry is an oligopolistic market with the top 4 players (HMCL, HMSI, Bajaj and TVS) contributing more than 80% of the annual sales. However, over the years, the competition has intensified within the industry, especially, with the entry of new age startups like Ola, Ather, Okinawa catering to the fast-expanding segment of EVs. In fact, the contribution of top 4 OEMs has gone down from 89% in fiscal 2019 to 83% by fiscal 2024.

Hero MotoCorp (HMCL) continued to lead the market, although HMCL's its share slid from ~36.0% in fiscal 2019 to 29.3% in fiscal 2024. The increased traction for scooters including E scooters as well as premium motorcycles coupled with pressure on commuter motorcycles sales – where HMCL dominates – have impacted its share. The second largest contributor Honda Motorcycle and Scooter (HMSI) has also lost some ground to other players, especially the E scooter manufacturers.

OEM wise contribution to overall two-wheeler domestic sales – fiscals 2019 to 2024

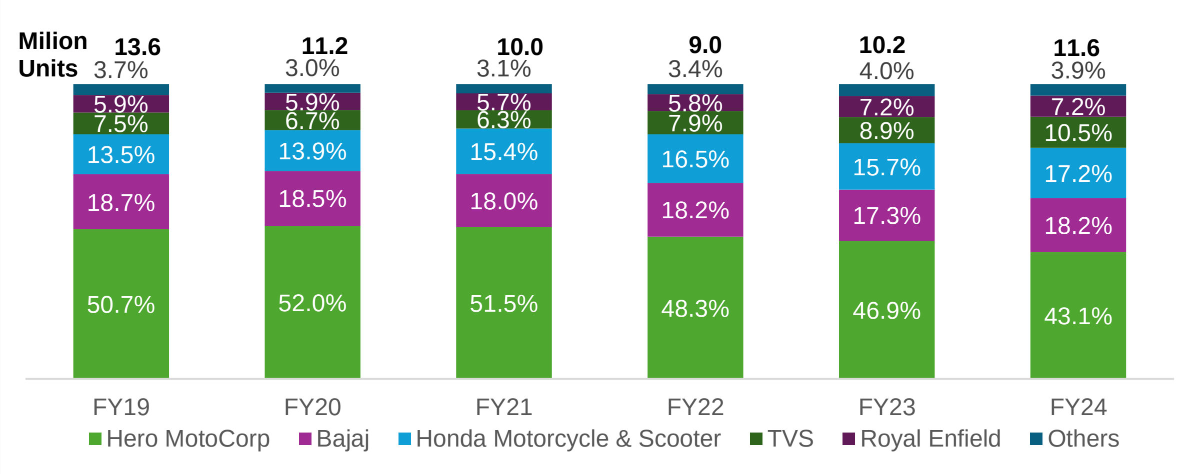


Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, CRISIL MI&A

With the continued traction for its premium motorcycles and scooters- especially Jupiter coupled with rising adoption of its E scooter model iQube, TVS has gained further ground in the market during the period. Bajaj successfully maintained its ~12% share in the last 5 years. Multiple launches in the premium motorcycles segment as well as increase in production and sales of its Chetak E scooters have aided its sales. Rising sales of premium scooters backed Suzuki's share expansion while multitude of launches in the growing premium motorcycles segment led to share expansion for Royal Enfield.

Recent entrants like Ola and Ather have also grabbed notable share from the legacy OEMs led by the rising electrification within the domestic two-wheeler market. As of fiscal 2024, Ola and Ather contributed 2% and 1% respectively to two-wheeler annual domestic sales.

OEM wise contribution to domestic Motorcycle sales - fiscals 2019 to 2024



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered
Source: SIAM, VAHAN, CRISIL MI&A

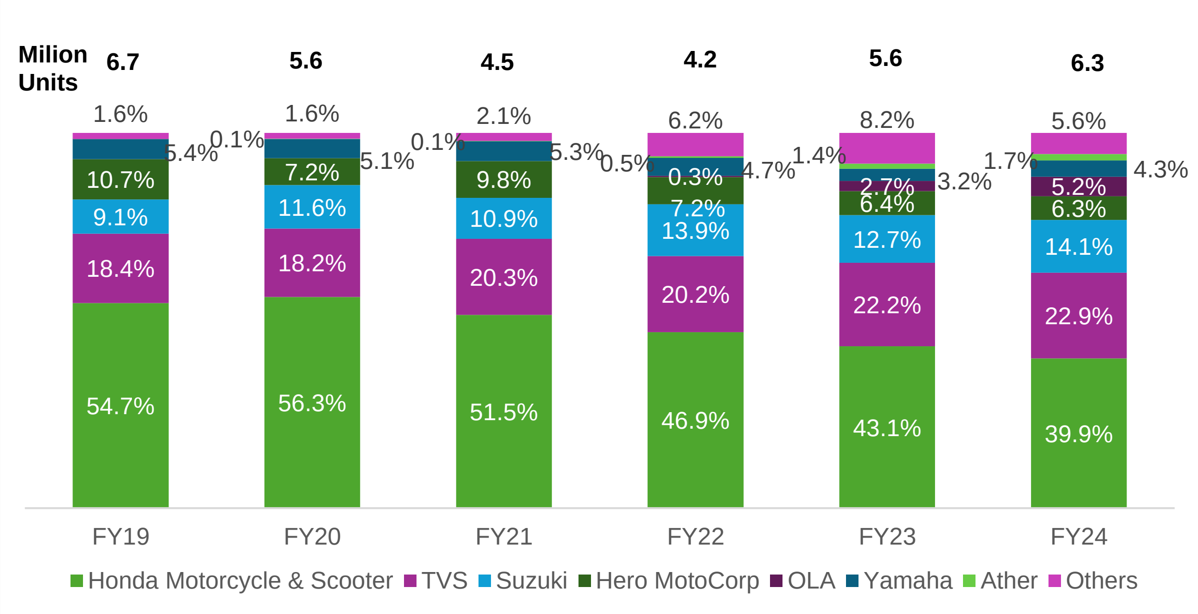
The overall motorcycles segment is dominated by HMCL, that is also the leader in the commuter motorcycles segment. However, given the pressure on sales of the commuter motorcycles segment and intensifying competition in premium motorcycles, HMCL lost some ground to TVS, HMSI and Royal Enfield from an initial high base. Although HMCL witnessed some contraction in commuter motorcycles, the increased traction for its premium models like the XPulse, Xtreme as well as demand for its recent launches like the Karizma, Harley X440 in the premium motorcycles segment restricted the contraction in its share.

Bajaj maintained its second position in the market in the last 5 years with continued traction for its motorcycles especially for its Pulsar range and increased demand for its latest launches including the Triumph vehicles. HMSI has expanded its presence in the motorcycles market amidst continued demand for its models like Shine 125, SP 125 coupled with its entry into the 100-cc category with Shine 100. The launch of the SP160 model also aided its share expansion during fiscal 2024.

In line with HMSI, TVS has also grabbed additional share in the motorcycles segment supported by high demand for its Raider 125 model coupled with increased push from its recent launch, the Ronin, in the premium segment. TVS also witnessed contraction in the commuter segment amidst the reduced demand for the segment as well as premiumization trend in the two-wheeler industry.

Royal Enfield, with its entire focus on the premium motorcycles segment expanded its presence further with faster growth in the premium segments. Moreover, increased support from the competitively priced model the Hunter 350 aided its growth in the last 2 years.

OEM wise contribution to domestic Scooter sales - fiscals 2019 to 2024



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, CRISIL MI&A

1. HMSI leads the scooters segment with its Activa model. Amidst intensifying competition, the company has lost ground to TVS, Suzuki as well as the recent entrants OLA and Ather. However, increased demand for the premium variants of its scooters Activa 125 and Dio 125 helped the company limit its share contraction.
2. Increased traction for TVS's e-scooter iQube as well as added support from premium variant of its popular model Jupiter supported its share expansion within scooters segment.
3. Suzuki is primarily focussed on the premium scooters segment. Premiumization within the industry as well as healthy demand for its recent launch, the Avenis, aided Suzuki's share expansion within the scooters segment.
4. Amidst the electrification trend, especially within the scooters subsegment, OLA and Ather gained a foothold in the overall scooters segment within a short span. With its leading contribution in the E scooters subsegment OLA garnered a sizeable 5.2% share, and Ather contributed ~2% to the overall scooters segment in fiscal 2024. (EV segment is covered in detail in later chapters).
5. In the last 5 years, Yamaha maintained its share in 3-5% range led by continued demand for its RayZR series. The recent launch of the Aerox scooter range helped Yamaha expand its presence and regain some lost ground during fiscal 2024.
6. For the mopeds segment, TVS contributes the entire sales. TVS is the only OEM offering mopeds in the domestic market.

Competitive landscape of the 2W EV industry

The 2W EV segment has been highly concentrated with a few players primarily catering to the entire segment. During fiscal 2019, a few OEMs like Hero Electric and Okinawa completely dominated the market with more than 80% of the market share. Over the years, with the entry of new players, EV launches from legacy ICE OEMs as well as expansion in EV portfolio of players, competition intensified within the EV space.

High speed vehicles offered initially by Hero Electric and Okinawa offered relatively lower speed and acceleration compared to the ICE counterparts. Ather entered the market in fiscal 2019 with S450 model which offered comparable power and acceleration as an ICE vehicle and paved the way for customer shift from ICE to EVs. This helped Ather grab a sizeable share of the market in fiscal 2020 and managed to maintain that share despite the intensifying competition in the next 4 years. Intermittent launches, state of the art product offering, expansion in retail network and development of the overall 2W EV ecosystem has helped the company maintain its momentum in the market.

OLA entered the EV market in fiscal 2022 and expanded its presence at a very fast pace and became the leading contributor to EV retails in India. Expansion in product portfolio, distribution network as well as supporting growth in production levels thrusted the contribution of OLA in 2W EV market.
The legacy OEMs TVS and Bajaj entered the EV space after some deliberation. TVS introduced the iQube model in fiscal 2020, but only gradually increased its supply over the years. It's one model iQube received healthy traction and clocked second highest retails during fiscal 2023 and extended its presence further in fiscal 2024.

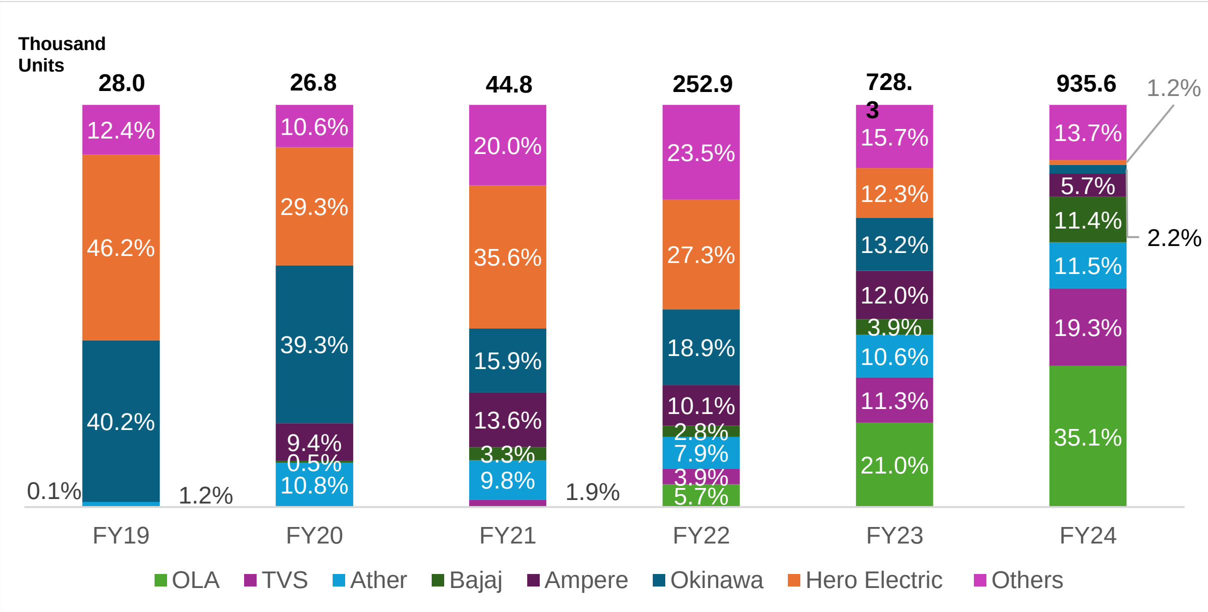
Bajaj's Chetak EV was introduced in Q4 of fiscal 2019 in limited markets. The company gradually expanded its presence across markets in the next few years. With increased company focus, coverage expansion and higher production, the company's share increased to nearly 11% in fiscal 2024.

Ampere entered the market in fiscal 2020 and gradually expanded its presence in the 2W EV space. In fiscal 2023, company's contribution reached 12% levels. However, amidst the increased competition especially from OLA and TVS, the company lost some ground during fiscal 2024.

HMCL entered the EV segment with Vida in fiscal 2023. In the two years, the company's contribution increased to ~2% by fiscal 2024.

Erstwhile leading contributors in the 2W EV industry, Hero Electric and Okinawa faced stiff competition from newer entrants and increased focus from other legacy two-wheeler manufacturers. From a high base, their share contracted in the next 3 years. Furthermore, in fiscal 2024, both these companies received a heavy jolt from the government notice for debarment from the FAME-II Scheme. The government also sought the recovery of incentives claimed since fiscal 2020 from the two companies. The debarment cost companies their share in fiscal 2024. However, in April 2024, the two companies have been given a clean chit in the case.

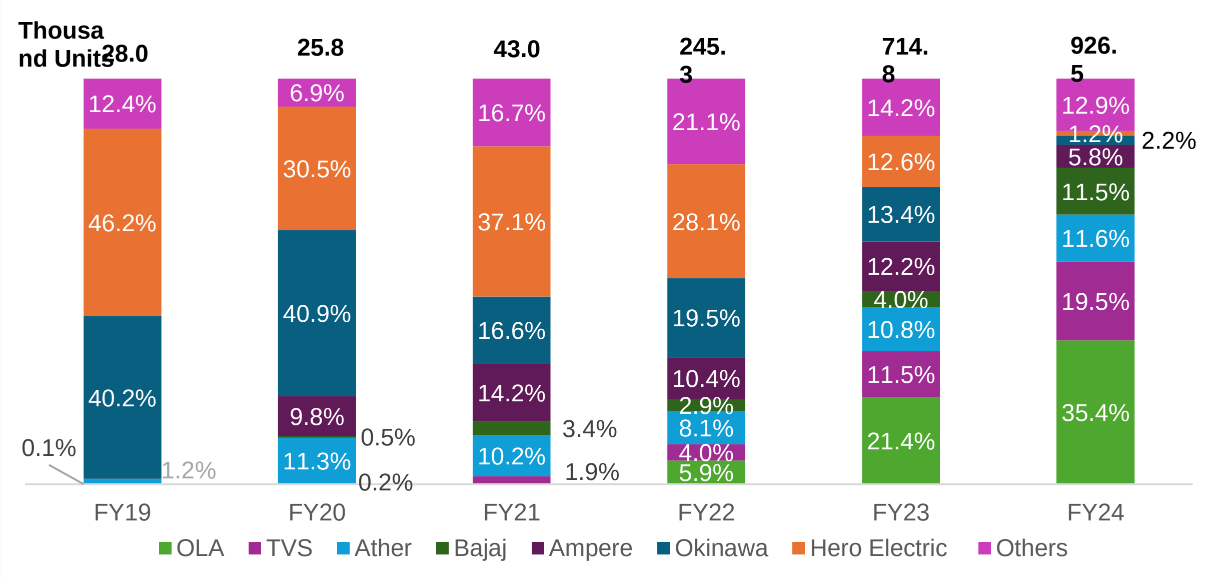
OEM wise contribution to 2W EV retails



Source: VAHAN, CRISIL MI&A

Given more than 98% contribution of scooters in 2W EV retails, OEM wise contribution for scooters is in line with the OEM wise contribution for overall E 2W segment.

OEM wise contribution to E Scooters retails



Source: VAHAN, CRISIL MI&A

Revolt Motors introduced E-motorcycle/ E bike in India and continue to dominate this small subsegment. Tork Motors has gained some ground in fiscal 2024. New launches from Ultraviolette aided company share expansion especially in fiscal 2024.

Demand drivers and trends in the domestic two-wheeler market

Growing gig economy

The gig economy is a significant contributor to the two-wheeler industry demand in the form of last mile delivery vehicle requirement.

According to NITI Aayog, there were nearly 6.8 million gig workers engaged in the gig economy including the food grocery, electronics, and e commerce last mile delivery work during fiscal 2020. The gig workforce is expected to expand to 23.5 million by fiscal 2030 backed by the expected rise in underlying industries of e commerce and food delivery services.

The Indian e-commerce sector, estimated at ~Rs 3.1 trillion in fiscal 2023, has had a phenomenal run over the past few years. The industry has managed to attract not only consumers but also investors across the world and has grown more than three-fold between fiscals 2018 and 2023 on the back of rising internet penetration, increasing awareness of online shopping, and lucrative deals and discounts offered by well-established players and start-ups. However, growth moderated a bit, albeit remained healthy in fiscal 2023.

CRISIL MI&A projects the e-commerce industry to cross Rs 5.3 trillion by fiscal 2026, logging a CAGR of 20-25% between fiscal 2024 and fiscal 2026. This healthy growth is expected to support the demand for two-wheelers in the long run.

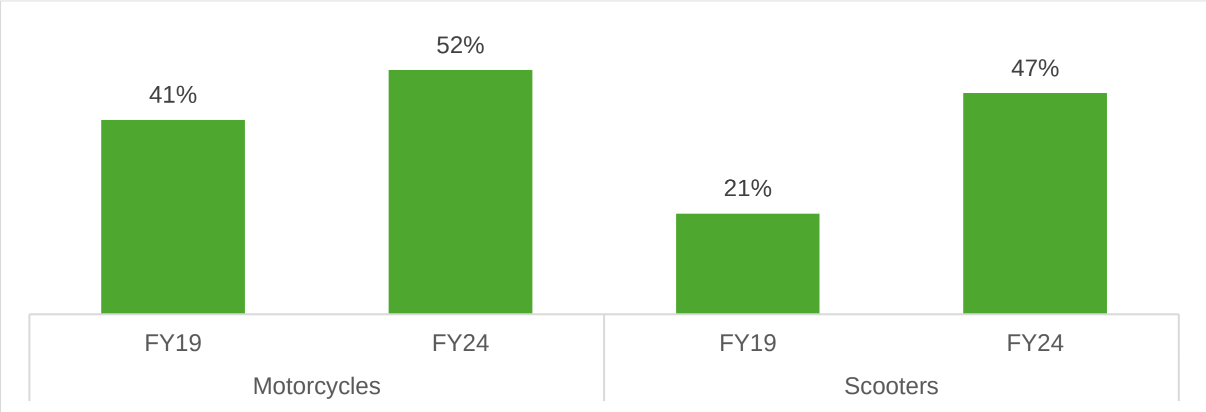
Premiumization in the industry

There is a clear shift towards premium vehicles being witnessed within the two-wheeler industry. Customers are looking to upgrade to the next premium vehicle segment within motorcycles as well as scooters. Younger profile of the buyers, attractive feature rich new vehicle launches at competitive rates, vehicle being seen as an extension of customer’s personality, financing support, more launches in the premium segment has supported this premiumization trend within the two-wheeler industry.

In the last 5 years, the share of premium vehicles (=>125cc) increased significantly – from 41% in fiscal 2019 to 52% in fiscal 2024 for motorcycles and from 21% in fiscal 2019 to 47% in fiscal 2024 for scooters. Despite the commuter motorcycles and basic 110 cc scooters witnessing a sharp contraction, increased traction for the premium motorcycle and scooters segment restricted the fall in overall sales. In the last 5 years, the premium segments have primarily provided the thrust to the industry.

Over the long-term horizon, CRISIL MI&A expects the premiumization trend to support the overall industry growth and support the industry sales going forward.

Share of premium two-wheelers



Note: Premium motorcycles/ scooters: => 125 cc vehicles
Source: SIAM, CRISIL MI&A CONSULTING

Electrification within the industry

EVs are gaining global interest amidst the need to curb pollution. In India, too, EVs are gaining popularity, as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME II) and tax rate cuts to encourage EV adoption. Further, growing awareness and concerns about environmental issues are likely to drive electrification in India.

EV sales have skyrocketed, especially post pandemic aided by the rising awareness, government support and expanding EV portfolio of the industry. The entry of the new age non-traditional OEMs like OLA, Ather, Okinawa provided an additional boost to the EV segment in India.

While the ICE two-wheeler sales contracted at 3.7% CAGR between fiscal 2019-2024, EV sales accelerated at 101% CAGR, thus restricting the drop in overall industry sales.

Even going ahead, the furthering electrification is estimated to provide the much-needed thrust to the industry growth over the long term horizon.

Advancement in Vehicle Technology

Over the years, there has been a significant advancement in vehicle technology as well as addition of latest features in ICE as well as EVs, making the vehicles more appealing to the customers, especially the younger buyers. EV segment has revolutionised the industry in terms of latest technological designs as well as offerings, and ICE vehicles are following with notable advancements. The latest new age vehicles offer a wide range of features and innovations to cater to different consumer needs offering safer, more efficient, and environmentally friendly transportation.

In recent two-wheelers, features such as digital instrument cluster (around 2010), navigation (around 2017), USB charging port (2017), Bluetooth connectivity (2018), cruise control have been added over the years. Over and above these basic features, premium vehicles including EVs offer much advanced features like full colour TFT displays, gear shift indicators, real time mileage, fuel efficiency metrics, music, calls on vehicle display, riding modes, traction control, keyless ignition, smart helmets with built in communication, heads up display etc.

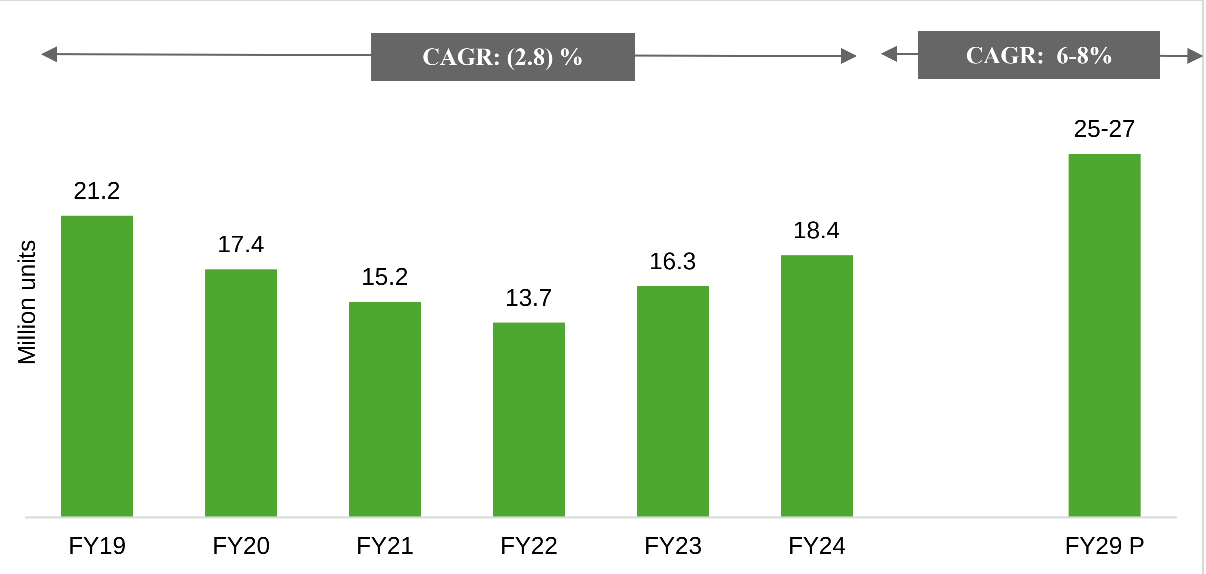
As technology continues to advance, two-wheeler industry will witness more innovations in the coming years, making the ride safer and more enjoyable for the customer, thereby supporting the growth of industry over the long-term horizon.

Outlook of Indian two-wheeler industry (fiscal 2024 to 2029)
The industry is expected to continue its growth momentum over the long-term horizon led by the positive microeconomic and macroeconomic environment, favourable rural demand, premiumization, intermittent launches, shrinking holding period and continued support from financers. Moreover, continued R&D investments by the OEMs and the technological advancements in the industry to provide an added support to the growth of the industry over the long-term horizon.

Additionally, the fast-rising EV segment, with EV portfolio expansion by legacy players, capacity expansion by new age players will accelerate the industry growth. Introduction of CNG powertrain, which will offer lower operating costs compared to petrol variants, will push the two-wheeler industry growth further.

Led by these positive industry drivers, the two-wheeler industry sales are projected to grow at 6-8% CAGR and reach volumes of 25-27 million by fiscal 2029.

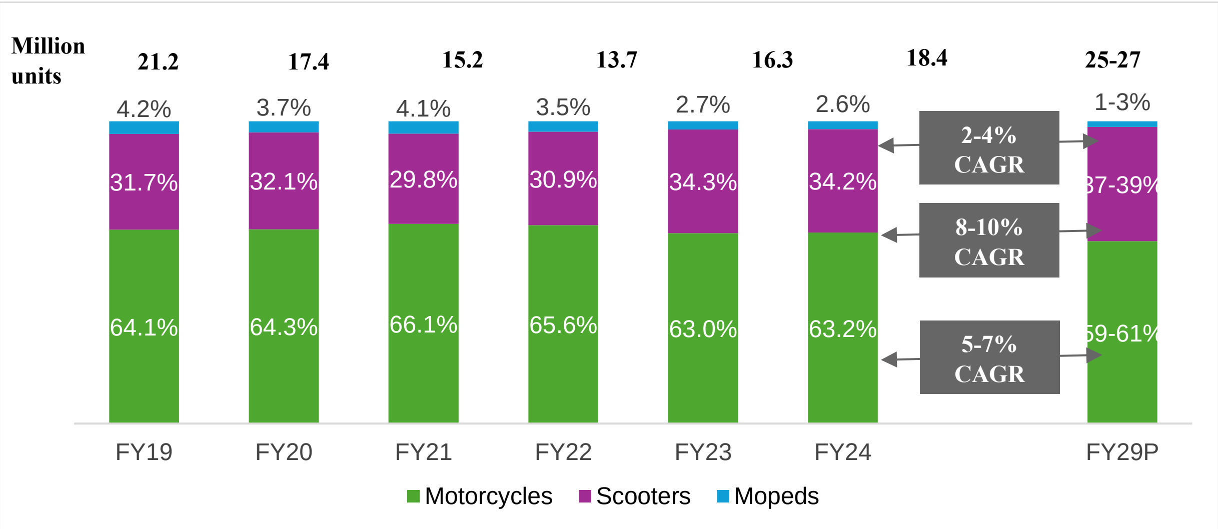
Domestic two-wheeler industry outlook until fiscal 2029



Source: SIAM, CRISIL MI&A

Industry growth will be driven by the EV segment which is projected to clock a healthy CAGR of 40-45% over the long term. While the ICE vehicle segment will grow at a subdued pace of 1-3% CAGR. The faster growth in EVs will help the EV penetration to reach ~28-30% of the industry sales by fiscal 2029.

Segmental Split Outlook



Source: SIAM, CRISIL MI&A

Motorcycles, on the other hand, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon- till fiscal 2029. The primary contributor to motorcycle sales, the ICE motorcycles are expected to grow at 5-7% CAGR. The premium motorcycles subsegment is expected to continue to provide the thrust to the motorcycles segment going ahead while the commuter segment is projected to grow at only a moderate pace.

Premiumization and upgradation will limit the growth of commuter motorcycles subsegment. Shifting customer preference towards premium segments supplemented by OE focus and higher number launches in the premium segment will provide the thrust to the premium segment going ahead.

The moped segment is expected to grow almost in line with the overall industry growth led by the electrification in the price sensitive segment. Electrification within the mopeds segment will lead the growth of this segment. CRISIL MI&A expects the relatively financially weak, bottom of the pyramid customer base of mopeds segment to opt for EV mopeds which have relatively lower acquisition costs.

Segmental growth within the industry in the last 5 years

Segment	FY19-FY24 CAGR	FY24-FY29P CAGR
Motorcycles	**(3.0) %**	**6-7%**
ICE	(3.1) %	5-7%
EV	NM	100-110%
Scooters	**(1.3) %**	**11-12%**
ICE	(4.3) %	(10)-(8) %
EV	101.3%	41- 43%
Mopeds	**(11.4) %**	**8-9%**
ICE	(11.4) %	(20.1) %
EV	NM	NM
Total	**(2.8) %**	**7.5-9.5%**

Note: NM: Not meaningful; Figures in bracket to be read as negative (E.g. (10) to be read as minus 10), EV retail data from VAHAN has been considered.
Source: SIAM, CRISIL MI&A CONSULTING

Upcoming launches in ICE segment

OEM	Vehicle	Segment	Tentative Launch
Bajaj	CNG bikes	Commuter and Premium Motorcycles	2024
	Pulsar N 125	Premium Motorcycle	2024
	Pulsar Adventure	Premium Motorcycle	2025
TVS	TVS ADV	Premium Motorcycle	2024
	Fiero	Commuter Motorcycle	2025
HMCL	Xoom 125R	Premium Scooter	2024
	Xoom 160	Premium Scooter	2024
	Xtreme 200R	Premium Motorcycle	2024
	Xtreme 210R	Premium Motorcycle	2024
	Mavrick 440 Scrambler	Premium Motorcycle	2024
	Adventure Scooter	Premium Scooter	2024
	Xpulse 400	Premium Motorcycle	2025
	Xtreme 400S	Premium Motorcycle	2025
HMSI	PCX160	Premium Scooter	2024
	Rebel 1100	Premium Motorcycle	2024
	Rebel 500	Premium Motorcycle	2024
	Activa 7G	Basic Scooter	2024
	CB350 Cruiser	Premium Motorcycle	2024
	CB 1000R	Premium Motorcycle	2024
	CL500 Scrambler	Premium Motorcycle	2024
Yamaha	MT 09	Premium Motorcycle	2024
	Max 155	Premium Scooter	2024
	XSR 155	Premium Motorcycle	2024
	R7	Premium Motorcycle	2025
Suzuki	GSX S1000	Premium Motorcycle	2025
	GSX R1000	Premium Motorcycle	2025
Royal Enfield	Scram 440	Premium Motorcycle	2024
	Hunter 450	Premium Motorcycle	2024
	Continental GT 650	Premium Motorcycle	2024
	Shotgun350	Premium Motorcycle	2024

Note: Based on information in secondary sources
Source: Industry, News Reports

Upcoming launches in EV segment

OEM	Vehicle	Segment	Tentative Launch
HMSI	Activa	Scooter	2024
	PCX	Scooter	2024
TVS	iQube update	Scooter	2024
	Creon	Scooter	2025
Suzuki	Burgman	Scooter	2024
HMCL	eMaestro	Scooter	2024
Bajaj Chetak	Vector	Scooter	NA
Yamaha	Neo's	Scooter	2024
Vespa	Electtrica	Scooter	2024
OLA	Adventure	Motorcycle	2024
	Cruiser	Motorcycle	2024
	Diamond Head	Motorcycle	2024
	Roadster	Motorcycle	2024
Ather	Diesel	Scooter	2024
Ampere	NXG	Scooter	2024
LML	Star	Scooter	2024
Tork	Electric Scooter	Scooter	2024
Hero Electric	AE8	Scooter	2024

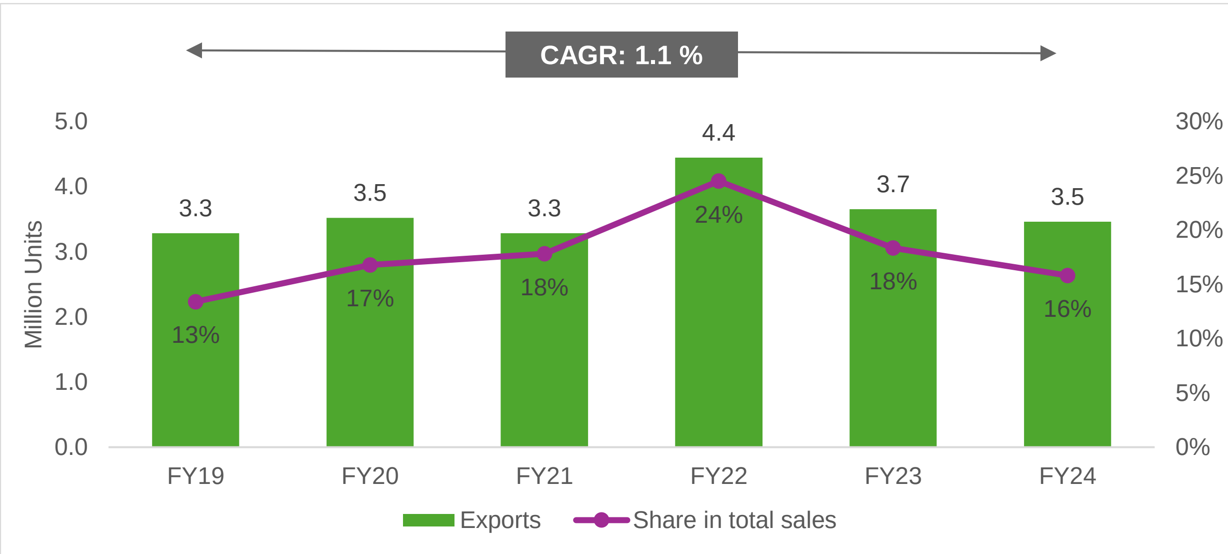
Note: Based on information in secondary sources
Source: Industry, News Reports

Review of Indian two-wheeler exports

In the last six years, between fiscal 2019-2024, two-wheeler industry exports rose at a moderate pace of 1% reaching volumes of 3.5 million in fiscal 2024. Currently exports account for 15-20% of the overall two-wheeler sales in India.

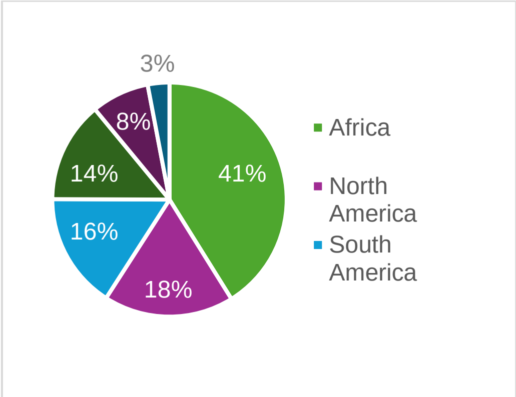
Growth in exports was led by increase in global demand as well as geographical expansion by players like Bajaj and TVS. Also, joint ventures with global brands—such as KTM, Husqvarna and BMW—and catering to the global demand of these brands from India has given an additional thrust to two-wheeler exports.

Two-wheeler exports trend



Source: SIAM, CRISIL MI&A CONSULTING

Geographical split for Indian two-wheeler exports (Fiscal 2024 YTD)



Country	Share in fiscal 2024 YTD
Nigeria	13.6%
Mexico	8.1%
Columbia	7.7%
Guatemala	4.9%
Uganda	4.8%
Guinea	4.6%
Philippines	4.5%
Turkey	4.4%
Tanzania	4.0%
Nepal	3.7%

Note: YTD: Apr 2023-Feb 2024
Source: Ministry of Commerce and Industry, CRISIL MI&A

ICE two-wheelers completely dominate the exports. However, in line with electrification in the domestic two-wheeler market, OEMs have started exporting EVs from India in the last 3 years. In fact, in fiscal 2024, EV exports rose 19x compared to EV exports in fiscal 2023.

As of fiscal 2024, TVS, OLA and Ather are primarily exporting EVs from India. The EV exports are currently at a nascent stage, however, are expected to grow going ahead.

Segment wise exports trend

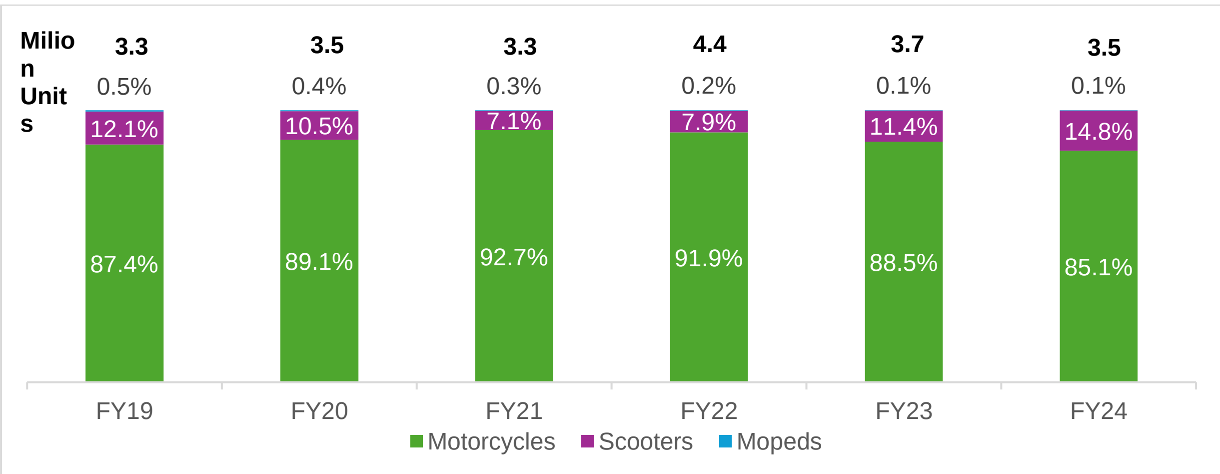
Motorcycles dominate the exports segment as well with more than 85% share in overall exports. However, they lost some ground to scooters, especially in the last 3 years.

Motorcycle exports grew at a modest pace of 1% CAGR during fiscal 2019-2024 while scooters clocked a faster 5% CAGR during the same period, albeit from a smaller base. Increased push from HMSI as well as TVS with further geographical expansion in Latin American and Southeast Asian countries aided the faster growth of scooter exports.

Even in fiscal 2024, while the exports of motorcycles contracted by 9%, scooter exports rose nearly 23% year-on-year, restricting the overall contraction of exports.

Mopeds form an insignificant part of the two-wheeler exports. Their share contracted further in the last 6 years with a 30% CAGR drop in exports during fiscal 2019-2024 period.

Segmental split within exports



Source: SIAM, CRISIL MI&A CONSULTING

Exports Competitive Landscape

Bajaj is the leading contributor in the two-wheeler exports. Company has dominant 50%+ share in the motorcycle exports-the primary exports segment. However, with rising share of scooters in overall exports coupled with intensified competition within motorcycle exports, Bajaj lost some ground in the last 5 years. However, with continued demand for its Pulsar, Boxer, Dominar and KTM models coupled with increased support from Triumph branded motorcycles, Bajaj has maintained its numero uno position in motorcycles as well as overall industry exports.

The second largest contributor TVS has gained further ground in motorcycles as well as scooters segment exports during fiscal 2019-2024 period led by the expansion in its exports' portfolio as well as geographical expansion. Added exports for recently launched popular vehicles like Raider and Ronin as well as continued exports traction for its models like Star City and Apache helped TVS increase its presence in motorcycles exports. Significant growth in Jupiter and premium scooter Ntorq aided company's expansion in scooters segment. However, the contraction in moped exports restricted TVS' market share growth in exports.

HMSI faced intense competition within scooters segment limiting its contribution in overall two-wheeler exports. However, despite the loss of market share, HMSI continued to lead the scooters segment exports supported by healthy demand for its Activa and Navi models and added support from recently launched Dio125.

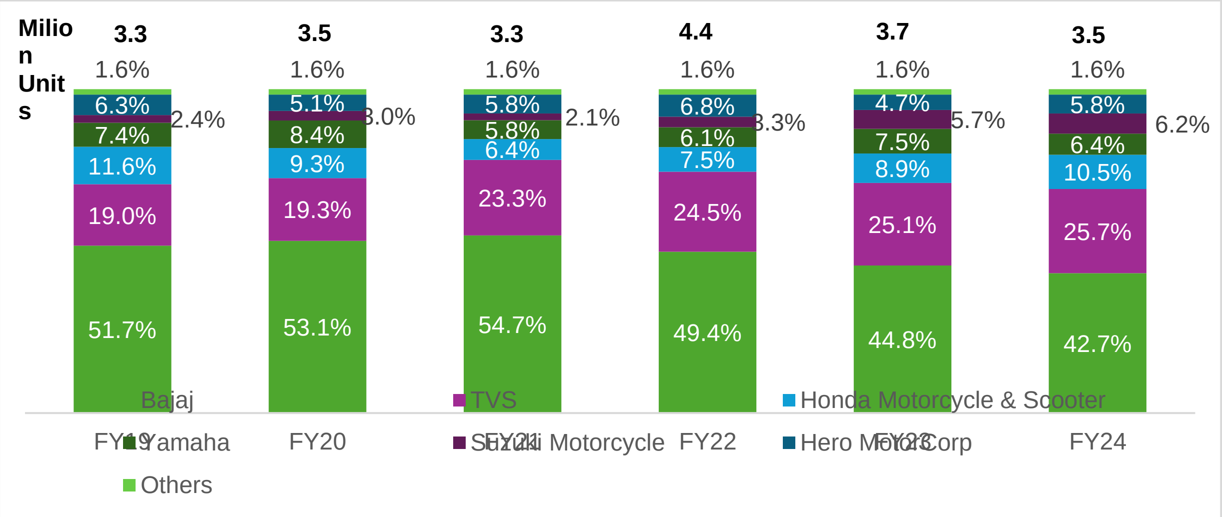
Increased traction for its premium scooters of Burgman and Avenis backed Suzuki's expansion in scooter exports and thus aiding its share expansion in overall two-wheeler exports as well. Moreover, Gixxer and Vstrom helped increased motorcycles exports for the company.

Continued exports of its popular models FZ and RayZR range supported the exports contribution for Yamaha. The company has successfully maintained its 5-7% share in two-wheeler exports in the last 5 years.

In addition to the continued demand for its Classic 350, Himalayan; recent launches like Hunter and Meteor provided an added support to RE exports. And its share within two-wheeler exports increased from 0.6% in fiscal 2019 to 2.3% in fiscal 2024.

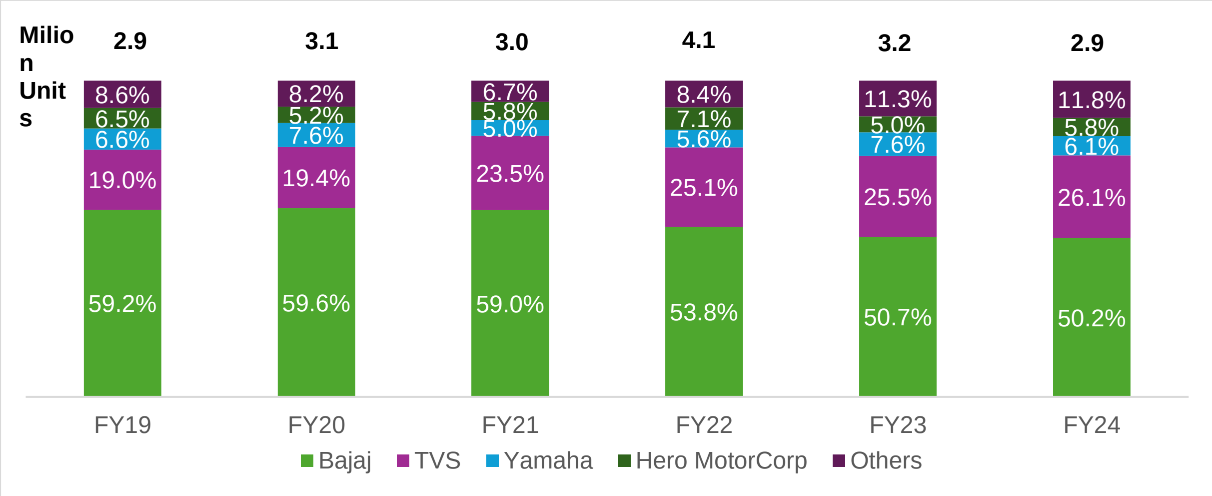
Contribution of HMCL is limited in the exports market and has remained near steady in 5-6% range.

OEM wise share in two-wheeler exports



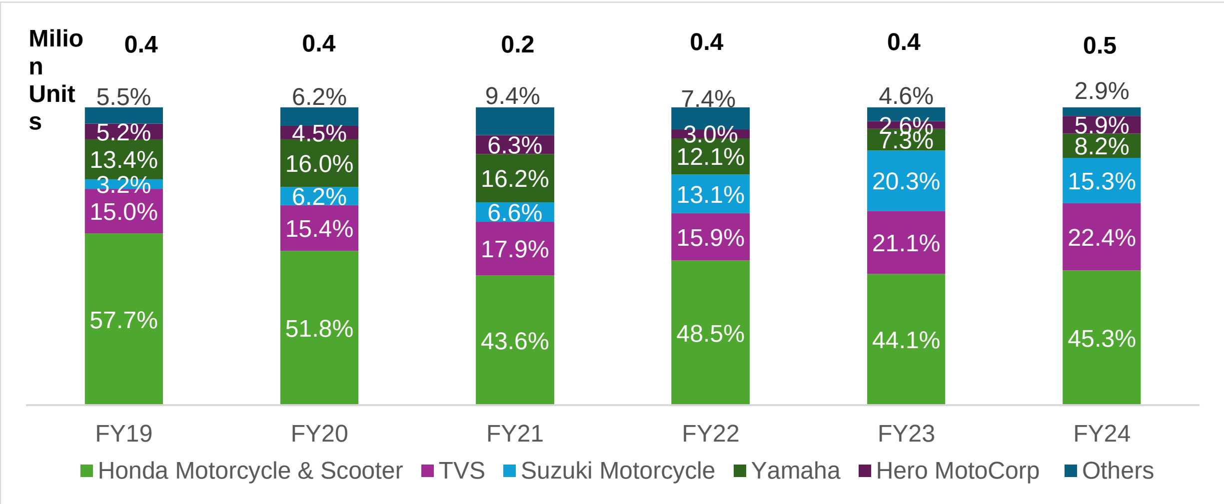
Source: SIAM, CRISIL MI&A CONSULTING

OEM wise share in Motorcycle exports



Source: SIAM, CRISIL MI&A CONSULTING

OEM wise share in Scooter exports



Source: SIAM, CRISIL MI&A CONSULTING

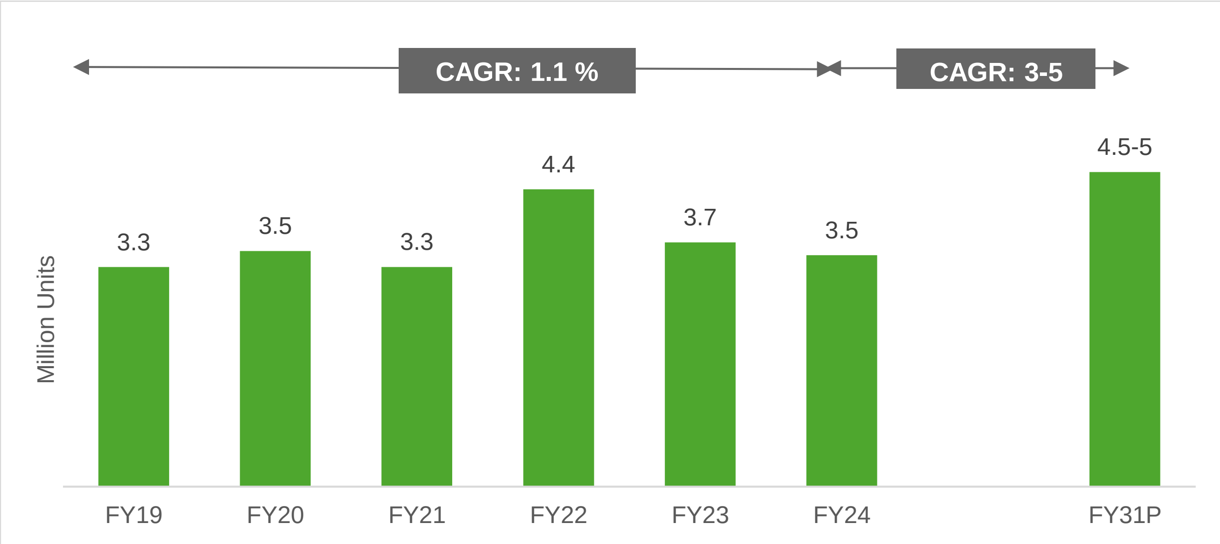
Outlook of Indian two-wheeler exports

Two-wheeler exports from India grew at a moderate pace of 1.1% CAGR during fiscal 2019 to fiscal 2024. Going ahead, CRISIL MI&A expects the industry growth to grow at a faster pace of 3-5% CAGR to reach 4.5-5 million levels by fiscal 2031.

This growth will be propelled by continued improvement in macro-economic environment in exports destinations, expansion in geographical coverage by the OEMs as well as the expansion in vehicle portfolio for exports. Moreover, going ahead, the fast-growing EV segment is expected to contribute meaningfully to exports as well amidst the capacity expansion by the players, increasing focus on exports market, sharp rise in EV portfolio.

India being one of the largest two-wheeler domestic markets globally, has a unique opportunity to leverage its domestic market scale and manufacturing competitiveness to produce 2W EVnot just for the domestic market but also for the exports markets. Further, policies including PLI are offering a momentum to domestic OEMs for manufacturing and exporting EVs from India. The government offers incentives through PLI for entire EV ecosystem including automobiles, auto components and ACC batteries.

Exports Outlook



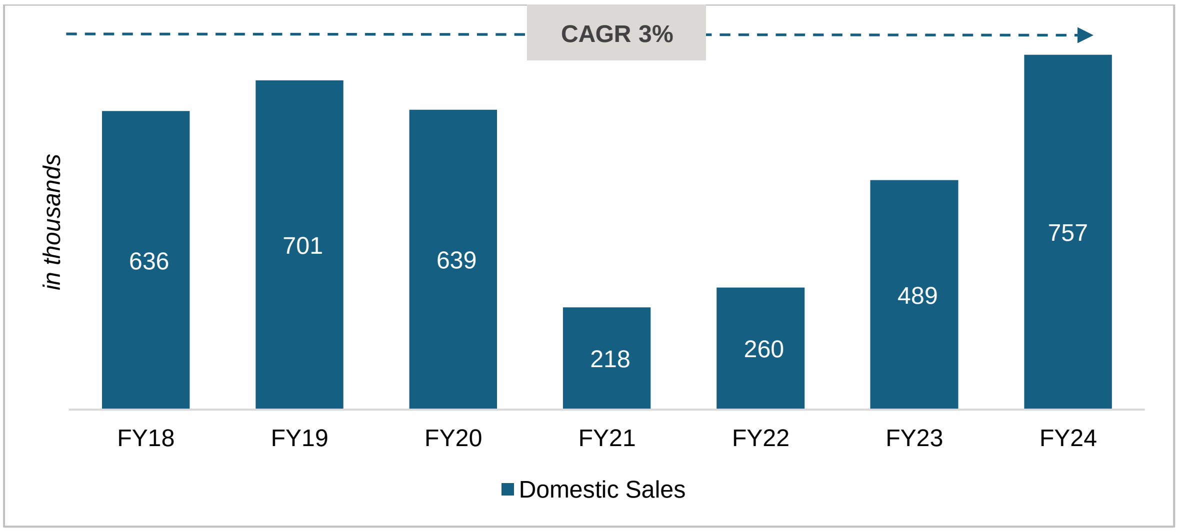
Source: SIAM, CRISIL MI&A CONSULTING

Review and outlook of Indian three-wheeler industry

Review of Indian three-wheeler industry (fiscal 2019 to 2024)

India is the largest three-wheeler (3W) market in the world, with domestic sales of 0.75 million units in fiscal 2024. The industry contributed to ~2% of the total market – comprising two-wheelers (2Ws), 3Ws, passenger vehicles (PVs) and commercial vehicles (CVs) by volume.

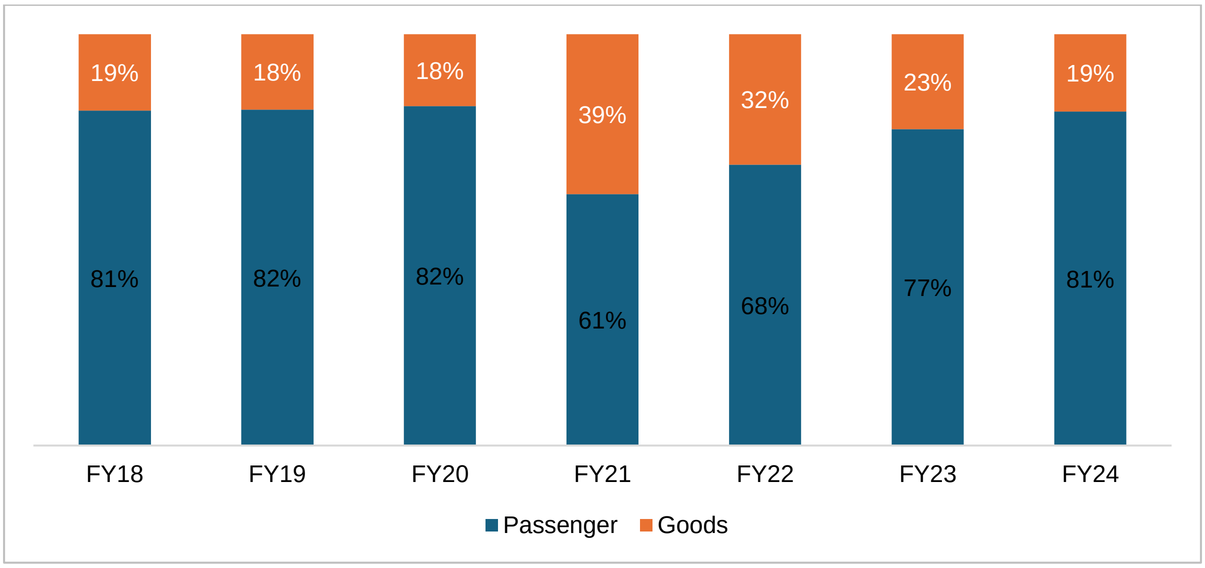
Three-wheelers domestic, by volume



Source: SIAM, Vahan, CRISIL MI&A
Note: ICE numbers have been taken from SIAM while EV numbers have been taken from Vahan

In fiscal 2024, 3Ws domestic sales recorded a substantial on-year growth of 55% in fiscal 2024, led by Passenger vehicles.

Segment-wise share, total volume



Source: SIAM, CRISIL MI&A

3W segment is categorized into two sub segments, i.e., Passenger vehicle (PV) and Cargo/ Goods vehicle (GV). The passenger vehicle segment contributed the majority share to overall domestic sales of 3Ws, accounting for 81% in fiscal 2024. A significant decline was witnessed in fiscal 2021 in PVs due to the Covid pandemic and the BS-VI transition. The pandemic shored up preference for personal mobility and leading to a sharp decline in shared mobility. However, there has been a slight recovery from fiscal 2022 as demand for shared mobility gradually increased.

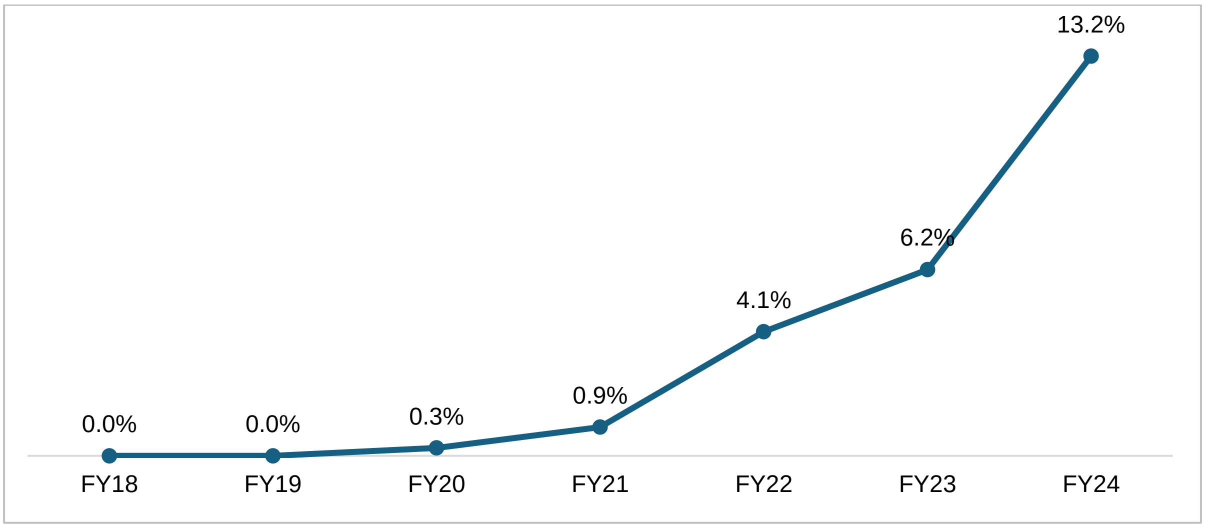
The Goods segment accounted for 19% share in fiscal 2024 on a high base of fiscal 2023. The Goods segment contributed the highest 39% in 2021 with robust demand for last-mile delivery, particularly in urban areas. Electric mobility has been making strong presence on the back of a steady pick-up in last-mile connectivity demand and cargo requirement. Electric GV constitutes 28% of total GV sales in 2024, compared with 16% in 2023. The continuous growth shows immense potential, particularly in the electrification of 3Ws.

Sales of e-3Ws (L3 and L5) in India

In the e-3W segment, mobility, especially in the case of e-rickshaws, is widely used for last-mile connectivity. E-autos and e-rikshaws differ primarily in the design specification of electric powertrain, performance (in terms of torque and maximum speed) and passenger capacity. E-rikshaws are a low-cost variant of e-3Ws, without an exact Internal Combustion Engine (ICE) counterpart.

The overall e-3W market has grown at a significant 33% CAGR between fiscal 2018 and fiscal 2023. The e-3Ws with high assured utilisation rates are more profitable for businesses, as they become economical to operate at higher utilisation. E-commerce giants are preferring e-rikshaws for clean and economical last-mile connectivity.

EV penetration in 3Ws (L5 category)



Note: Electric 3W includes e-auto
Source: VAHAN, CRISIL MI&A

E-auto (i.e., the L5 category) rickshaws use lithium-ion batteries and have an average speed of more than 25 kmph. They are used for moving cargo as well as passengers. The leading players in this segment present in this space Mahindra Electric and Piaggio. Under FAME-I, e-3Ws driven by lead-acid batteries were also eligible for the subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Higher initial cost of e-autos, lack of availability of a wide range of products in the market, and low availability of charging infrastructure have posed challenges to their penetration

Despite these challenges, the shift towards e-autos occurred due to low cost, economical, and environmental cleanliness.

Drivers for electrification

Total cost of ownership (TCO)

TCO for 3Ws in FY24 for four-year ownership

Annual running	30,000 km	35,000 km	40,000 km
Petrol-equivalent 3W EV	37% lower cost than petrol	42% lower cost than petrol	45% lower cost than petrol
CNG-equivalent 3W EV	33% lower cost than CNG	37% lower cost than CNG	41% lower cost than CNG

TCO for 3W in FY29 for a four-year ownership

Annual running	30,000 km	35,000 km	40,000 km
Petrol-equivalent 3W EV	43% lower cost than petrol	48% lower cost than petrol	50% lower cost than petrol
CNG-equivalent 3W EV	40% lower cost than CNG	44% lower cost than CNG	47% lower cost than CNG

Note: Total cost of ownership analysis framework takes into consideration down payment/ initial payment, Incentive/subsidies, EMI, fuel cost, maintenance cost and battery replacement cost if any over the ownership period adjusted for the resale value
Source: Industry, CRISIL MI&A

The TCO for an electric 3W is 37% lower than that of a petrol 3W and 33% lower than that of a CNG 3W for 30,000km in fiscal 2024. This is expected to be 43% lower versus petrol and 40% lower versus CNG in 2029 for the same distance, highlighting the viability of electric 3Ws for a typical commercial application. Additionally, the TCO per km of an e-auto become even more economical, because of the subsidies for e-autos.

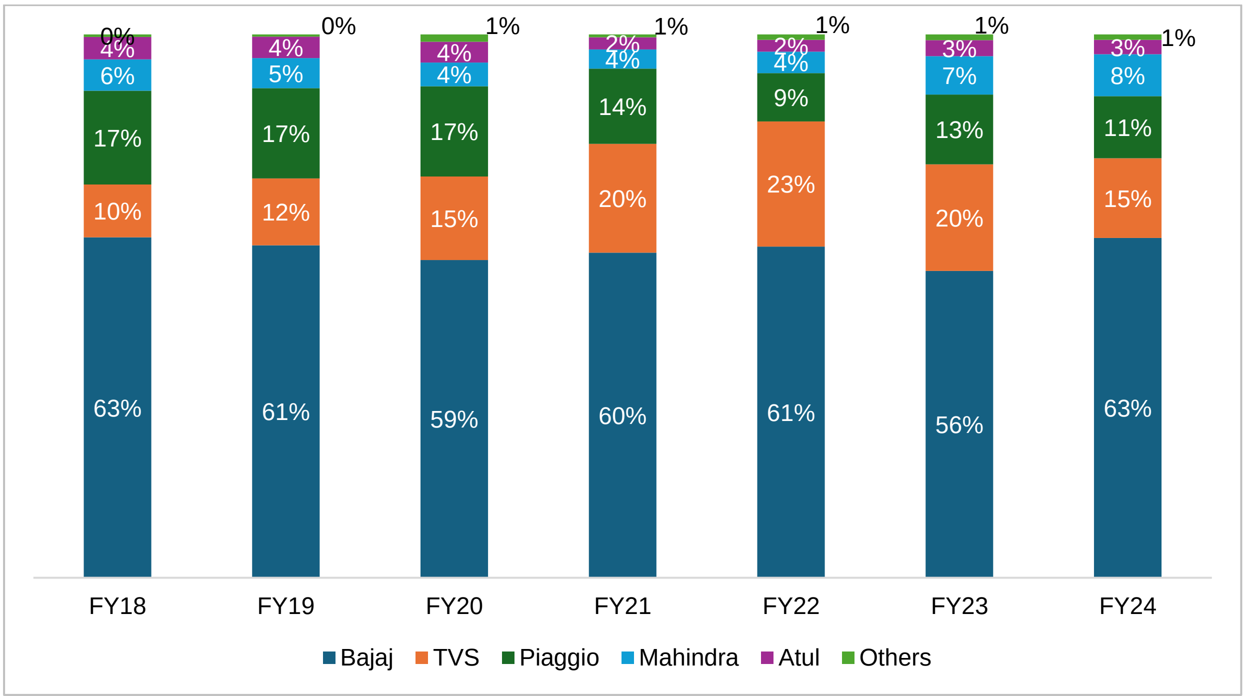
Unlike ICE vehicles, e-3W passenger vehicles do not fall under the ambit of the permit system, leading to a shift in the customer preference towards e-3Ws. We expect the launch of new products by players in this category to drive 3W sales. Incentives declared in the FAME II and state EV policies are also anticipated to be key drivers.

Replacement opportunity in three-wheelers

Demand for 3Ws has improved after the pandemic subsided as customers are upgrading and replacing old fleet for higher uptime and cleaner vehicles. The replacement market for 3Ws has expanded. Pent-up demand from fiscal 2021 (when vehicular moment was restricted) had helped the segment last fiscal. It is expected to continue this fiscal, too. Further, demand in the replacement market is expected to grow owing to deeper penetration of electric three-wheelers. Additionally, central and state subsidies have lowered the capital cost. Also, some of the states have either reduced or waived of registration fees, road tax and permit requirement for electric three-wheelers. Moreover, these vehicles have inherently lower running cost. Overall, their cost of ownership is now much lower than conventional diesel or CNG three-wheelers, rendering shift to electric 3Ws attractive.

Bajaj leads three-wheelers

Share of key player in three-wheelers (Basis Production)

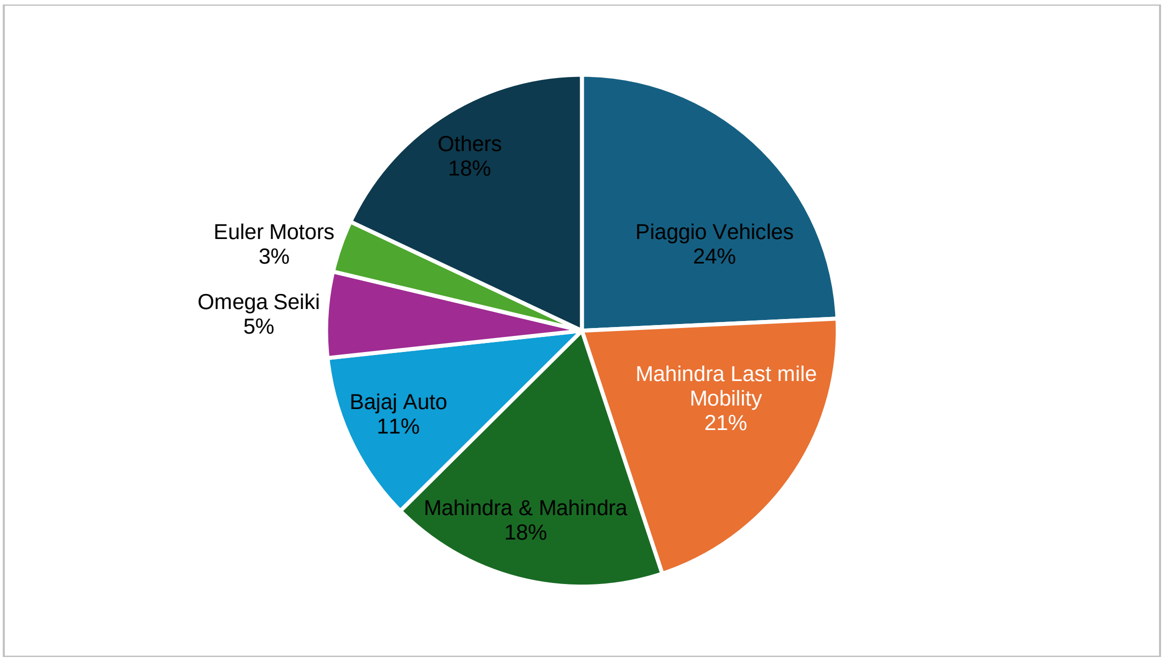


Note: Electric 3Ws include e-auto (L5 category)
Source: SIAM, CRISIL MI&A

Competition in the three-wheeler industry is reasonably consolidated, with Bajaj dominating over the past five years. The key players are Bajaj, TVS, Piaggio, Mahindra and Atul (together more than 90% of the market). While Piaggio is a strong player in the goods segment, Bajaj is way ahead of the competition in the passenger segment.

Piaggio, Mahindra top electric three-wheeler segment

Market share of key players in electric 3Ws (e-autos, FY24)



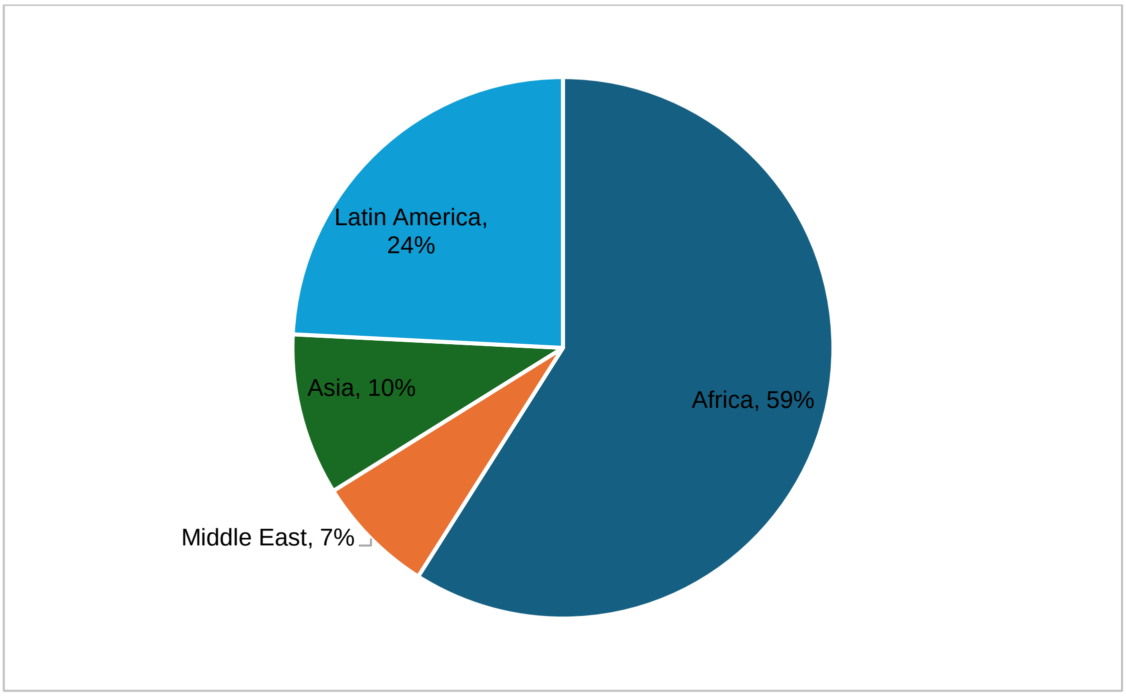
Note: Electric 3Ws do not include e-rickshaws
Source: Vahan, CRISIL MI&A

Mahindra Last Mile Mobility and Piaggio were the top two players in fiscal 2024, together accounting for over 45% of the market in the electric three-wheeler segment. They witnessed strong growth in sales in 2024 as three-wheeler operators looking to lower their operating costs amid high fuel prices seem to have switched to electric variants.

Electric 3Ws use lithium-ion batteries and can go above 25 kmph. They are used for cargo as well as passenger movement. There are only very few players, such as Mahindra Last Mile Mobility and Piaggio, in the space. Under FAME-I, lead acid battery-driven electric 3Ws were also eligible for the subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Higher initial cost of e-autos, lack of availability of wide range of products in the market and poor charging infrastructure availability have posed challenges to their penetration.

Despite these challenges, lower operating cost and environmental friendliness of these vehicles have supported the shift towards e-autos. Unlike ICE vehicles, electric three-wheeler passenger vehicles do not come under the ambit of the permit system because of which customers prefer them. As more players launch products in this category, we expect it to drive three-wheeler sales in general. Incentives under the FAME II and state EV policies are also expected to support.

Key three-wheeler export markets (FY23)



Source: Directorate General of Foreign Trade, CRISIL MI&A

Last fiscal, exports to Africa amounted to 137,190 units, Middle East 16,630 units, Latin America 56,290 units and other Asian countries 22,460.

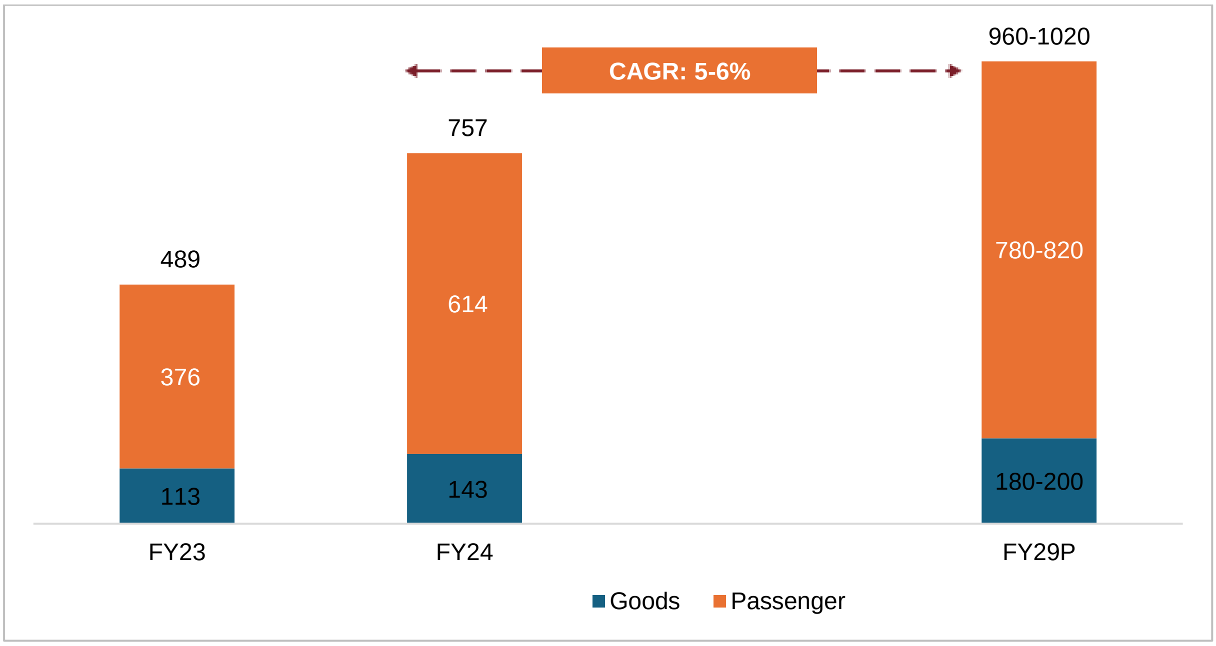
Share of exports to Latin America rose led by increased exports to Mexico, Peru, Ecuador and Peru. Currency devaluation, demonetisation and elections adversely impacted the exports to Africa. Exports to Asian countries also declined, led by Bangladesh, Nepal and Indonesia.

Outlook of Indian three-wheeler industry (fiscal 2024 to 2029)

Domestic sales

The domestic three-wheeler market grew phenomenally last fiscal, recording the highest growth of 88% on-year. Electric vehicle penetration has reached to 13.2% in fiscal 2024 The availability of finance, alternative fuels and state subsidies contributed majorly to the growth.

Domestic sales outlook for FY24-29 (in volume terms)



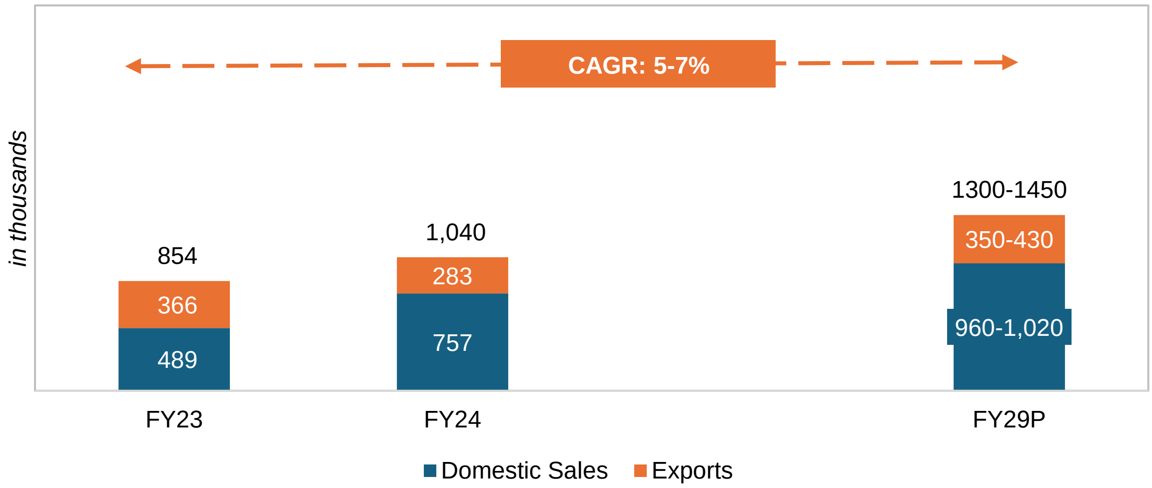
Note: Electric 3Ws do not include e-rickshaws
Source: SIAM, Vahan, CRISIL MI&A

Between fiscals 2024 and 2029, domestic 3Ws are projected to record a 5-6% CAGR, led by an 4-6% CAGR in the passenger segment and 5-7% in the goods segment.

Outlook for domestic sales and exports

The overall 3W industry expected to grow by 5-7% CAGR between fiscal 2024 and fiscal 2029.

Outlook for domestic sale, export volumes for 3Ws (FY24-29)



Source: CRISIL MI&A

The passenger segment accounts for around 99% in the overall three-wheeler exports from India in fiscal 2023. The total exports are expected to log a 4-8% CAGR between fiscals 2024 and 2029.

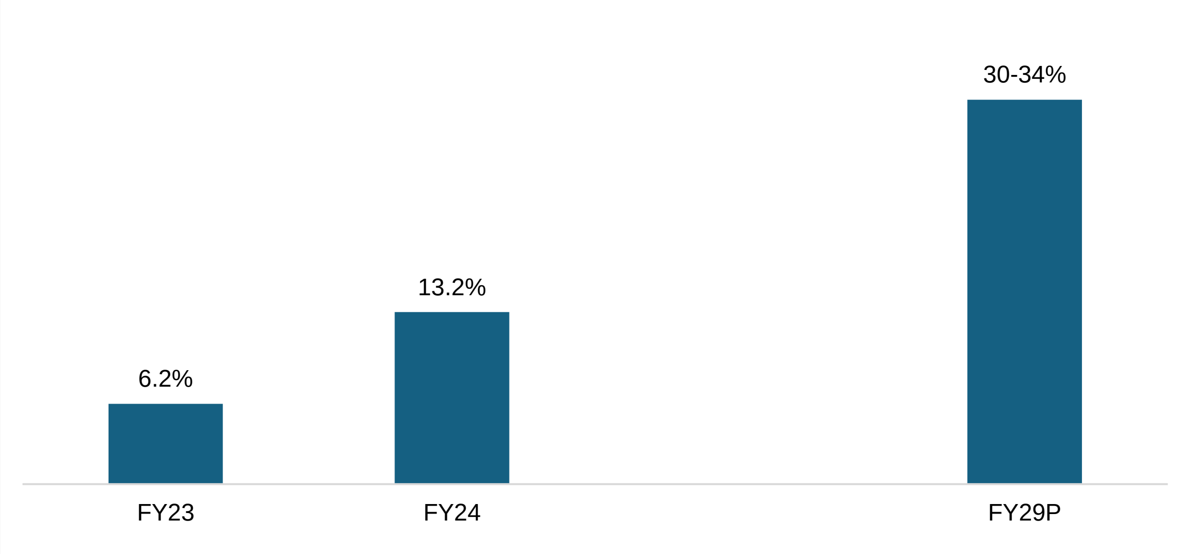
Outlook of electric three-wheeler market in India (fiscal 2024 to 2029)

CRISIL MI&A Consulting expects EV penetration in the three-wheeler segment expected to reach and go above 30-34% by 2029. 3Ws will spearhead the EV penetration in India because they are mostly used for short-distance trips and carry more load than e-rikshaws and e-bikes.

Moreover, all the conventional large OEMs, including Bajaj, Piaggio, Mahindra and TVS, have launched e-autos in the Indian market, which has improved their supply. This is expected to boost EV adoption in the long term.

Share of electric 3Ws to increase (L5 category)

EV penetration outlook for FY24-29



Note: Electric three-wheelers include e-auto
Source: CRISIL MI&A Consulting

The Penetration of electric vehicle in 3W was ~13% in fiscal 2024. However, the shift to electric 3Ws is gaining momentum owing to high prices of diesel, petrol and CNG.

The electric three-wheeler segment will continue to innovate and lead the industry as fixed and swappable battery solutions have revolutionised the sector. Also, leading OEMs are focused on electric three-wheelers. Bajaj currently dominates the petrol segment. Its market share is expected to expand with their aggressive initiative in EVs.

Review and outlook of the Global Off-Highway Vehicles (OHV)

Review and outlook of the global OHV (United States and Europe)

The United States and Europe OHV Market was valued at USD 92.51 billion in 2023 and is projected to grow to USD 132.55 billion by 2029, registering a CAGR of 7.08% in terms of revenue during the forecast period (2024-2029).

The construction industry is expected to be a significant contributor to the economy in the coming decade. The amount of activity in the private construction sector also affects the need for road construction equipment, as private contractors may need heavy machinery for their projects. Economic conditions, population expansion, and overall infrastructure spending all have an impact on the amount of demand for OHV.

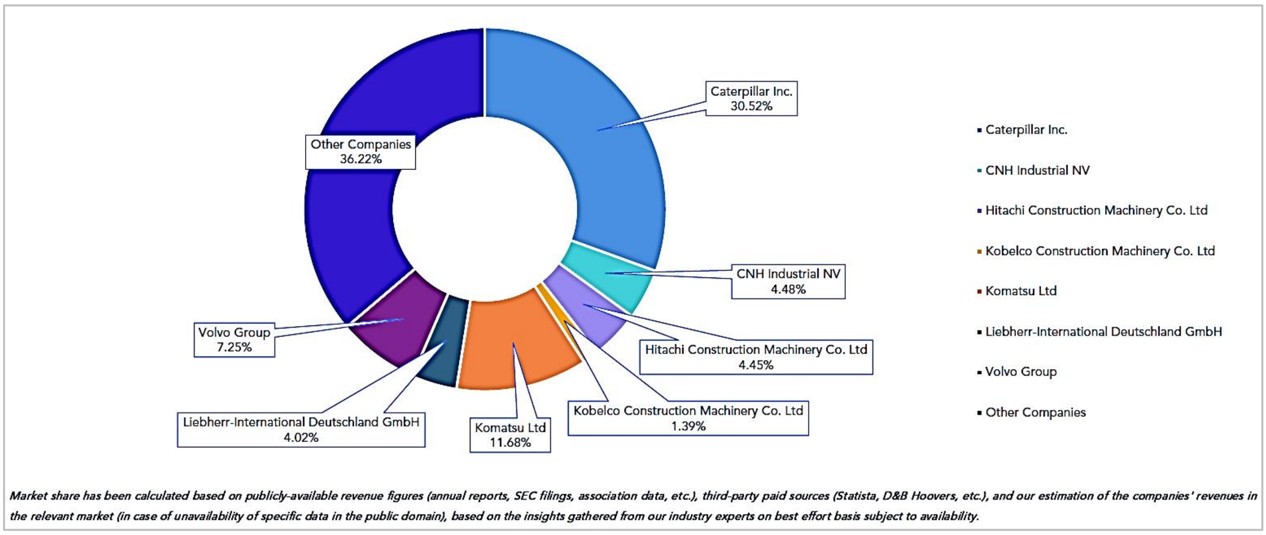
Due to the rise in spending by various government authorities in the region on mining and construction activities, OHV manufacturers are facing pressure to switch from traditional hydraulic and mechanical machines to cost-effective electric and hybrid vehicles. This is due to both the demand for more environmentally friendly equipment and regulatory pressures for lower emissions. This growth is expected to continue during the forecasted period.

Market drivers

Vendor market share

United States

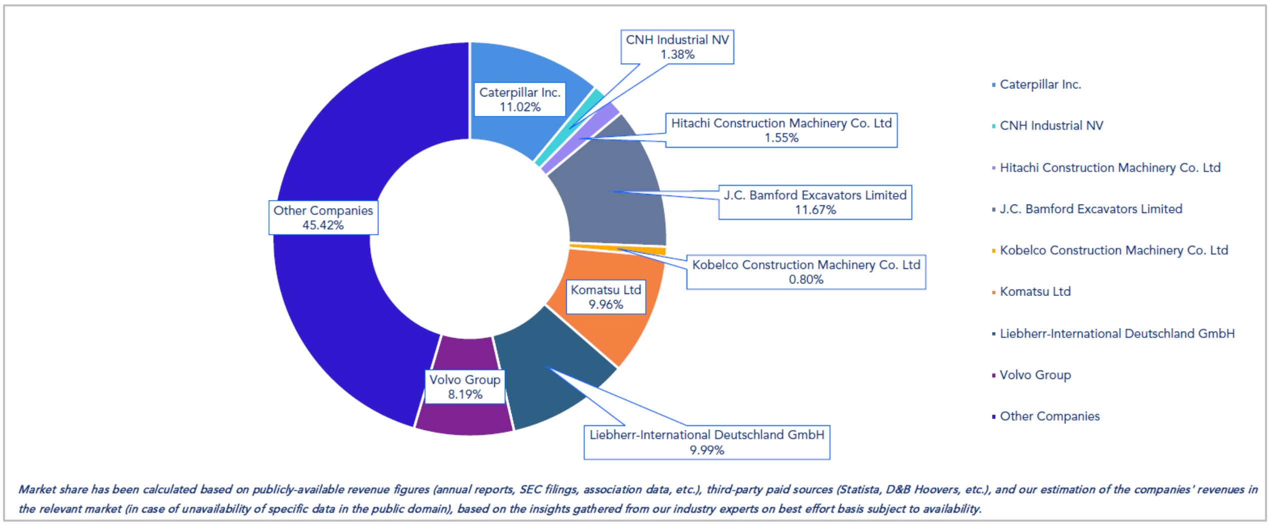
OHV market, revenue share (%), by manufacturer, United States, 2023



Source: Mordor Intelligence

Europe

OHV market, revenue share (%), by manufacturer, Europe, 2023



Source: Mordor Intelligence

Market segmentation
United States
OHV market, revenue in USD billion

By Machinery Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Excavators	18.8	24.8	29.0	24.1	26.3	28.3	30.3	32.5	34.8	37.3	40.0	8.5%	7.2%
Loaders	4.8	6.3	7.4	6.2	6.7	7.2	7.8	8.3	8.9	9.5	10.2	8.6%	7.1%
Cranes	1.5	2.0	2.3	1.9	2.1	2.2	2.4	2.6	2.7	2.9	3.2	8.4%	7.3%
Bulldozers	0.3	0.4	0.5	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	11.7%	6.7%

By Machinery Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Motor Graders	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	9.3%	7.6%
Dump Truck	2.5	3.3	3.9	3.3	3.6	3.9	4.2	4.5	4.8	5.1	5.5	9.0%	7.4%
Others	0.5	0.7	0.8	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.1	7.1%	7.1%

Source: Mordor Intelligence

OHV market, volume in thousand units

By Machinery Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Excavators	165.1	215.7	249.8	206.1	222.4	236.3	251.1	266.4	282.0	299.4	318.1	7.4%	6.1%
Loaders	83.4	109.1	126.4	104.3	112.6	119.7	127.0	134.7	142.5	151.1	160.5	7.5%	6.0%
Cranes	12.2	15.9	18.4	15.1	16.3	17.3	18.4	19.6	20.7	22.0	23.4	7.3%	6.2%
Bulldozers	2.0	2.8	3.3	2.8	3.1	3.4	3.6	3.8	4.0	4.3	4.5	10.8%	5.7%
Motor Graders	5.3	7.0	8.1	6.7	7.3	7.8	8.3	8.8	9.4	10.0	10.6	8.0%	6.5%
Dump Truck	6.5	8.5	9.9	8.2	8.9	9.5	10.1	10.7	11.4	12.1	12.9	7.9%	6.3%
Others	12.9	16.6	19.0	15.4	16.4	17.1	18.2	19.3	20.4	21.6	22.9	5.9%	6.0%

Source: Mordor Intelligence

OHV market, revenue in USD billion

By Propulsion Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Internal Combustion Engine	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.5	-	83.9%
Electric and Hybrid	28.6	37.8	44.3	36.9	40.3	43.3	46.4	49.8	53.2	57.0	61.2	8.6%	7.2%

Source: Mordor Intelligence

OHV market, volume in thousand units

By Propulsion Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Internal Combustion Engine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.4	-	93.2%
Electric and Hybrid	287.4	375.5	434.8	358.7	386.9	411.1	436.7	463.3	490.3	520.2	552.5	7.4%	6.1%

Source: Mordor Intelligence

Europe

OHV market, revenue in USD billion

By Machinery Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Excavators	29.6	32.3	35.2	38.5	35.2	34.4	36.5	39.1	42.1	45.3	48.1	3.0%	7.0%
Loaders	7.1	7.8	8.5	9.3	8.5	8.3	8.8	9.4	10.2	10.9	11.6	3.1%	7.0%
Cranes	2.3	2.5	2.7	3.0	2.7	2.6	2.8	3.0	3.2	3.5	3.7	3.1%	7.0%
Bulldozers	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	4.6%	8.2%
Motor Graders	0.4	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.6	0.6	2.4%	6.9%
Dump Truck	3.8	3.9	4.2	4.5	4.1	4.0	4.3	4.6	4.9	5.3	5.6	1.3%	7.0%
Others	0.9	0.9	1.0	1.1	1.0	0.9	1.0	1.0	1.1	1.2	1.2	1.6%	5.5%

Source: Mordor Intelligence

OHV market, volume in thousand units

By Machinery Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Excavators	261.2	280.7	302.3	325.6	293.7	284.6	301.0	320.0	343.1	366.4	387.3	1.7%	6.4%
Loaders	128.3	137.9	148.6	160.1	144.5	140.1	148.2	157.5	168.9	180.4	190.8	1.8%	6.4%
Cranes	18.5	19.9	21.4	23.1	20.8	20.2	21.4	22.7	24.4	26.0	27.5	1.8%	6.4%
Bulldozers	1.3	1.5	1.6	1.7	1.6	1.6	1.7	1.8	1.9	2.1	2.2	3.0%	7.6%
Motor Graders	8.6	9.2	9.8	10.5	9.4	9.1	9.6	10.2	11.0	11.7	12.4	1.2%	6.3%
Dump Truck	9.6	9.9	10.5	11.4	10.3	10.0	10.6	11.3	12.1	12.9	13.7	0.8%	6.5%
Others	20.8	22.3	23.7	24.9	22.0	21.1	22.0	23.1	24.4	25.7	26.7	0.3%	4.9%

Source: Mordor Intelligence

OHV market, revenue in USD billion

By Propulsion Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Internal Combustion Engine	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.4	0.6	-	84.3%
Electric and Hybrid	44.2	48.0	52.3	57.1	52.2	50.9	54.2	57.9	62.4	67.0	71.2	2.9%	6.9%

Source: Mordor Intelligence

OHV market, volume in thousand units

By Propulsion Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	CAGR % (2019-2024)	CAGR % (2024-2029)
Internal Combustion Engine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.3	0.5	-	93.5%
Electric and Hybrid	448.2	481.3	517.9	557.2	502.2	486.5	514.4	546.5	585.7	625.0	660.1	1.7%	6.3%

Source: Mordor Intelligence

Review and outlook of Indian Off-Highway Vehicles (OHV)

Review of Indian OHV

OHV are largely used for construction and infrastructure activity

OHV are engineering machines and vehicles used for construction (industrial and infrastructure), agriculture, mining, waste management, and logging activities. They are also used to prepare the ground, excavation, haulage of material, and dumping/laying in a specified manner. The various types of machines used are backhoe loaders, excavators, wheeled loaders, pick and carry cranes, dozers, and compactors.

Industry Structure

Earthmoving equipment	Material handling equipment	Road equipment
• Backhoe loader • Excavator • Wheel loader • Motor grader • Skid steer loader • Truck-type loader • Off-highway truck	• Pick and carry cranes • Telehandlers • Crusher and screener	• Compactors • Pavers

Source: CRISIL MI&A Consulting

Excavators, backhoe loaders, pick and carry cranes, tele handlers and compactors account for ~75% of the OHV industry's revenue. In the construction sector, OHV is mainly used in infrastructure and industrial construction. For instance, equipment like rollers, compactors are used through the lifecycle of a road project, while in sectors like housing and commercial construction, usage is limited to the initial stages of land development.

Construction equipment has an average life of about 7-8 years, depending on frequency of the usage. However, various components need to be regularly serviced and replaced and hence, after-sales service forms a critical part of the manufacturers' offering.

Hirers and small contractors are the major end-users of OHV. Large engineering, procurement and construction (EPC) companies account for only about 10% of total demand. Backhoe loaders are most popular in the Indian market as they are multi-functional (i.e. excavation and loading), relatively low on maintenance and easy to mobilize. It accounted for ~40% (volume) and ~28% (value) of the OHV market, followed by excavators ~29% (volume) and ~47% (value) which have a specialized usage pattern.

Strong brand name helps JCB dominate backhoe segment, technology access aid Tata Hitachi in excavator segment

Strong brand name, largest service network help JCB expand share, it is able to maintain its market share despite intense competition, while new players are unable to provide discounts, given their fragile financials caused by the prolonged downturn. Wide margin, after-sales services revenue, and in-house building capabilities provides JCB an edge over others.

Technology access favours Tata-Hitachi and LandT Construction Equipment. These companies stand to gain from their partner companies' experiences in other Asian markets, where they have a strong foothold. Tata Hitachi leads the segment with its wide dealership network of over 300 outlets and popular models. LandT Construction Equipment has recovered its lost share from competitors by focusing on high-quality models.

Doosan, Liugong, and Kobelko have entered the market recently. They hold a minimal share and focus on high tonnage segments. Another new entrant, Sany India, has launched products in the popular segment (2030 tonne) and garnered ~5% share in the past 3-4 years through aggressive pricing.

Escorts accounts for a lion’s share in pick and carry cranes and compactors

Escorts had the largest share in crane segment as of FY20 with a capacity of 10,000 units annually. The company sold ~7800 units in FY20. It is into a JV with Tadano to produce specialised cranes that address high-capacity use cases.

ACE has also maintained its share for FY20 with the launch of NX series multi activity cranes in the market. This enables them to earn better margins owing to them being technologically superior cranes.

Escorts is the leading player in this segment with close to ~75-80% share. We do not expect any major change in the top three players' market share over the next 2-3 years, as new ones are still trying to establish a stable dealership and after-sales service network.

Product profile

	Share of end-user segment	Application	Price range (Rs mn)	Life span (years)
Backhoe loader		Tractor-like unit fitted with a loader-style shovel/bucket on the front and a backhoe on the back	2-2.5	6-7
Excavator		Tracked vehicle designed to dig or grade, or move earth and large object	5-5.5	7-8
Pick & carry cranes		Designed to transport to a site and use with different types of load and cargo with little or no setup or assembly	3.5-4	8-9
Compactors		Used to compact soil, gravel, concrete, or asphalt in the construction of roads and foundations	2-2.5	6-7

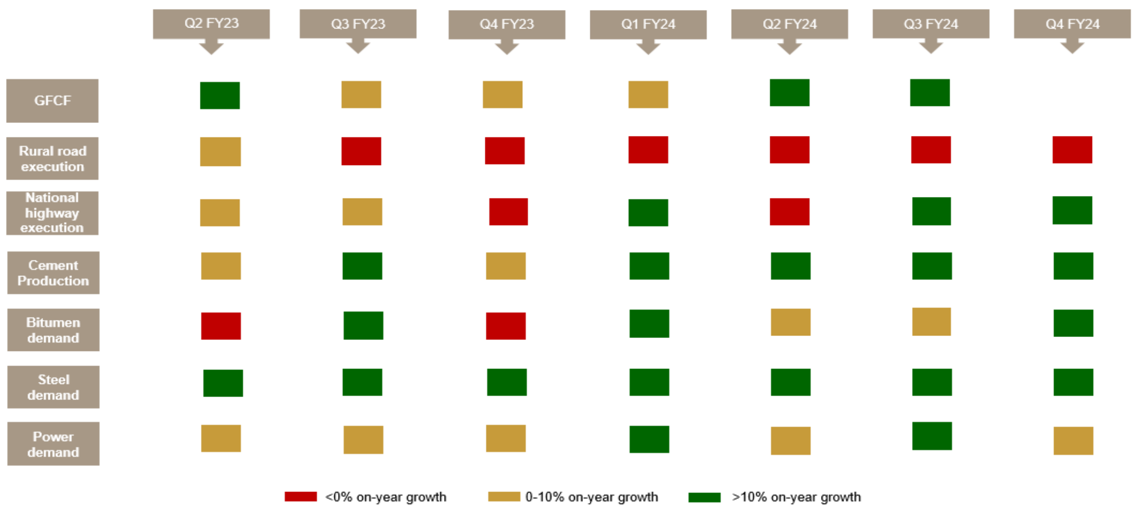
High industry concentration *Low industry concentration*

Source: CRISIL MI&A Consulting

Indicators for construction equipment industry on a rise

Quarterly movement in the sales of the equipment can be easily tracked through a host of factors as in the chart below. Execution of projects was robust in FY23 especially for mining activities. To be sure these parameters were on a high base of fiscal 2022. The momentum has continued in fiscal 2024.

With all High frequency indicators showing positive signs, OHV industry sales at all time high



Source: CRISIL MI&A Consulting

Government spending on infrastructure: A major driver is the Indian government's significant investment in infrastructure development projects like roads, railways, and urban metro systems. This focus on infrastructure translates into a demand for equipment used for earthmoving, excavation, and transportation of materials.

Economic growth: India's robust economic development fosters an environment where businesses are expanding, leading to a rise in commercial and residential construction activities. This increased building necessitates a larger fleet of construction equipment.

Rising urbanization: India's rapid urbanization is another major factor. As cities grow, there's a need for new housing, commercial spaces, and improved infrastructure. This fuels the demand for equipment for building high-rises, laying pipelines, and developing new urban areas.

Mining sector: India's mining industry is also a significant contributor to the demand for construction equipment. The rise in production of coal and other minerals necessitates heavy-duty machinery for efficient extraction and transportation.

India has the potential to become a global hub for manufacturing and exports of construction equipment

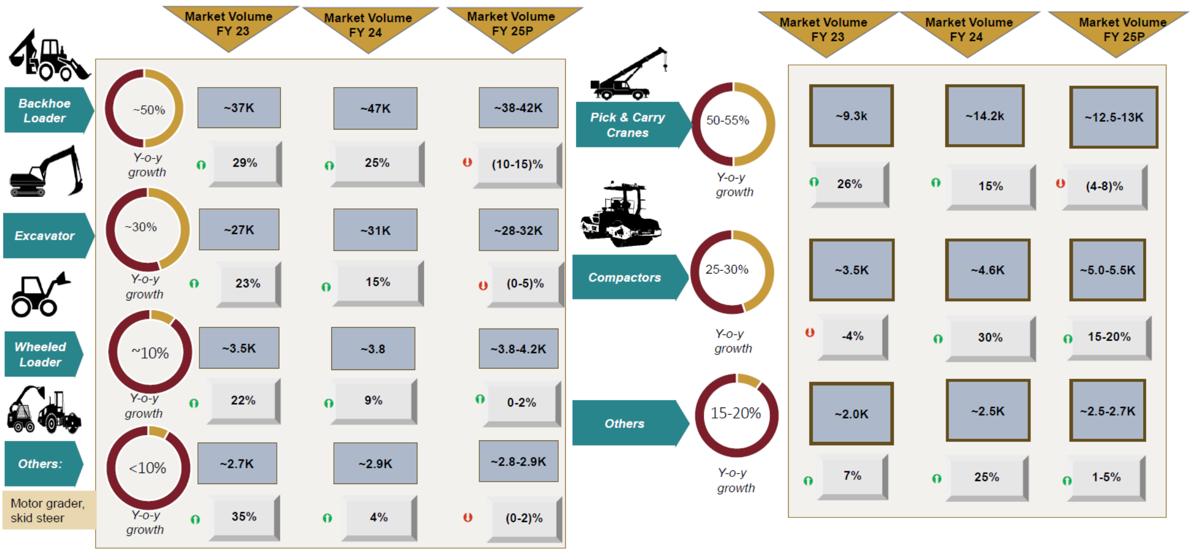
The Indian OHV Industry has a large presence of global OHV OEMs alongside domestic players, which has led to implementing of the 'State-of-the-Art' manufacturing technologies, which are at par with the world. Further, it is also important to note that domestically manufactured equipment is being exported to the EU, UK and US, implying that the industry meet global quality standards and are well-accepted in advanced markets globally. With the new CEV IV emission norms now completely adopted by the industry, there are significant opportunities for the Indian OHV industry to tap into developed markets.

Outlook of Indian OHV

Volumes in fiscal 2024 reach all time high; growth projected to normalise in fiscal 2025

OHV volumes are expected to witness slowdown post high growth seen in previous two fiscals; but will continue to maintain high level of 100K+. Growth in central government capital allocation to end-user industries like urban infra, railways, irrigation and ports amongst others observes normalization in FY25.

OHV sector grew 24% in volume terms in fiscal 2024 driven by growth in the end user industries like roads, railways, and urban infrastructure. Volume growth normalisation of (8-10) % is projected for fiscal 2025 but the industry is expected to maintain high levels of ~95K-100K in volume sales with growing end user industry segments like roads, railways, and urban infrastructure. With more than 60% share, backhoe loaders and excavators dominate the OHV industry.

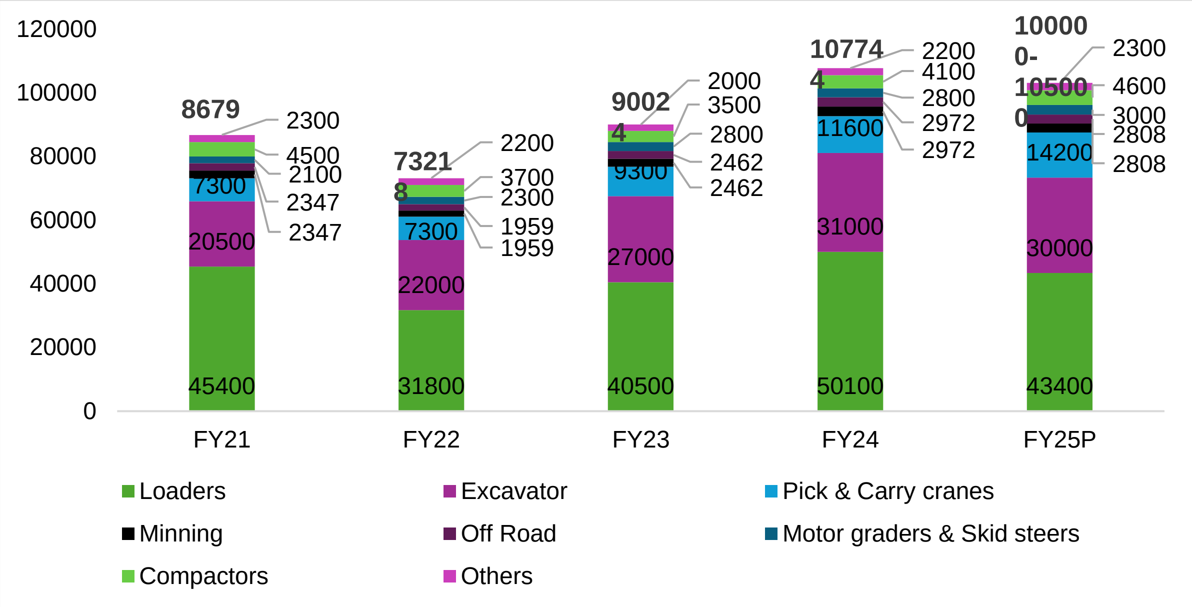


Note: Others include tele-handlers, screeners and crushers
Source: Industry, CRISIL MI&A Consulting

The infrastructure sector growth is led by healthy rise on high bases in state and central government capex budgets, Government initiatives such as Gati Shakti and the focus on NIP to boost the infrastructure segments while Mining sector is expected to show growth in FY25 to meet the rising demand from the Power and metal sectors. The volume sold are at an all-time high with rising infra and mining activity in the backdrop coupled with newer machinery complying to the BS-IV norms introduced in the market.

With humongous central government push and rising spur in construction activities, market size is expected to increase due to higher realisations and increase in prices passed on to consumers due to cost inflation of raw materials. Despite this normalization, the overall market outlook remains positive.

Equipment volumes seen moderating to ~100K in fiscal 2025

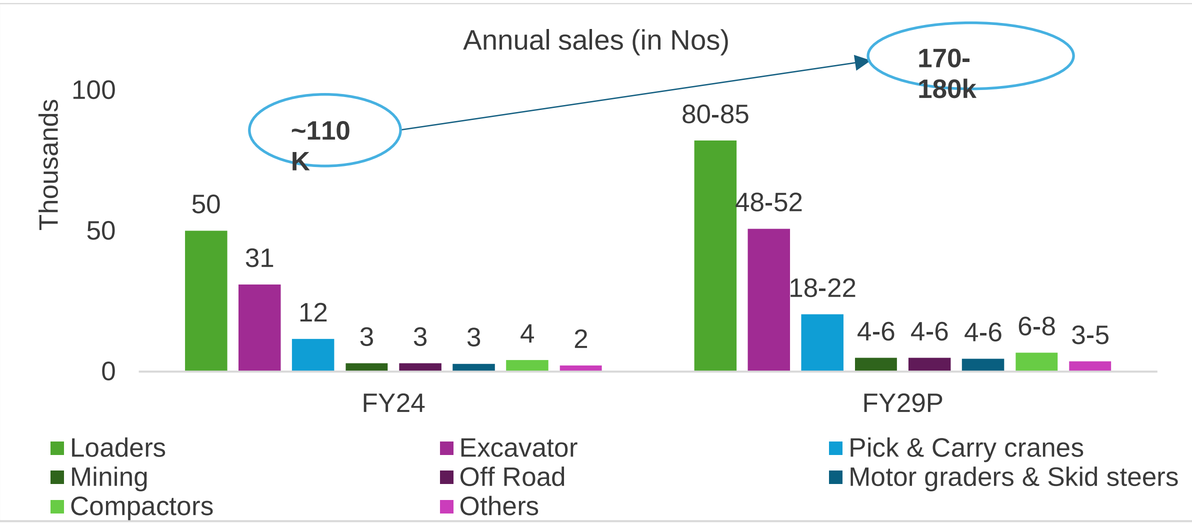


Source: Industry, CRISIL MI&A Consulting

Long term potential intact; driven by growth in end-user segments

Total Infrastructure capital expenditure to grow at 9-10% CAGR during FY24-29 with Roads, Railways and Urban Infrastructure constituting ~55-60% of total spending. Other sectors like Ports, Airports and Building construction to also record healthy growth in coming fiscals.

We expect the OHV industry to grow at 10-12% over the 5 years with the overall sales volumes expected to reach ~170-180k by fiscal 2029.



Source: Industry, CRISIL MI&A Consulting
Note: Loaders include both Backhoe and wheeled loaders, while mining and off-road sales volumes is considered at 2-4% of overall sales volume for the projection period. Others include tele-handlers, screeners and crushers

List of leading infrastructure projects coming up over the next 5 years - Transport infrastructure

Sr. No.	Project Name	Sub Industry	Cost (₹. Cr.)
1	High Speed Rail Corridor (Mumbai-Ahmedabad) Project	Railways	108,000
2	Regional Rapid Transit System (Delhi-Gurgaon-Shahjahanpur-Behror) Project	Railways	100,000

Sr. No.	Project Name	Sub Industry	Cost (₹. Cr.)
3	Vadhavan Port (Dahanu) Project	Ports	76,200
4	East West Dedicated Freight Corridor Project	Railways	73,804
5	Kerala Semi High-Speed Rail Corridor (Thiruvananthapuram-Kasargod) Project	Railways	66,405
6	Versova-Virar- Palghar Sea Link Project	Roadways	63,426
7	Chennai Metro Rail Project - Phase II	Railways	63,246
8	Waterfront Development (Mundra Port) Project - Expansion	Other Shipping Infrastructure	57,594
9	East Coast Corridor Project	Railways	56,749
10	Hindu Hruday Samrat Balasaheb Thackeray Maharashtra Samruddhi Mahamarg	Roadways	55,335
11	Delhi Metro Rail Project - Phase IV	Railways	55,000
12	Eastern Freight Corridor Project	Railways	51,219
13	Expressway (Pune-Bengaluru) Project	Roadways	49,241
14	Western Freight Corridor Project	Railways	46,178
15	International Container Transshipment Terminal (Great Nicobar Islands)	Other Shipping Infrastructure	44,000
16	Dighi Port Project - Expansion	Ports	42,490
17	International Airport (Navi Mumbai) Project	Airways (Aviation Infrastructure)	41,302
18	Udhampur-Qazigund-Srinagar-Baramula BG Railway Line	Railways	41,119
19	Delhi Metro Rail Project - Phase III	Railways	41,079
20	Pune-Bengaluru Greenfield Expressway (Bammanala-Muttagadahalli)	Roadways	38,724

List of leading infrastructure projects coming up over the next 5 years - Building infrastructure

Sr. No.	Project Name	Sub Industry	Cost (₹. Cr.)
1	Slum Redevelopment (Dharavi) Project	Other Community Services	26,000
2	Exhibition-cum-Convention Centre (Dwarka)	Other Community Services	25,703
3	Data Centre and Technology Park (Madhurawada and Kapulauppada)	Miscellaneous Services	21,844
4	Corporate Office Park (Jogeshwari) Nexus	Business Complexes	21,000
5	Hyderabad Pharma City (Mucherla) Project	Other Parks	16,395
6	Artificial Intelligence Park (GIFT City) Immerso AI Park	Other Parks	16,000
7	Sardar Vallabhbhai Patel Sports Enclave (Ahmedabad) Project	Tourism and Recreation	15,000
8	High Rise Residential Complex (Sector 76 and 77) Privana West	Real Estate	14,872
9	Jewellery Park (Mahape)	Other Parks	14,467
10	Integrated Township (Hinjewadi) Project Life Republic	Real Estate	13,890
11	Integrated Township (Ambernath) Project	Real Estate	13,695
12	Common Central Secretariat (New Delhi) Project	Other Community Services	13,450
13	Data Centre (Chennai)	Miscellaneous Services	13,200
14	Industrial Area (Maval) Project Phase-IV	Other Parks	12,628
15	Residential-cum Commercial Complex (Ghitorni)	Real Estate	12,497
16	Gujarat International Finance Tec-City (Gandhinagar) Project	SEZ/EPZ	12,089
17	Data Centre (Pimpri Chinchwad)	Miscellaneous Services	12,000
18	Residential Complex (Worli BDD Chawls) - Redevelopment	Real Estate	11,744
19	Residential Complex (Sarojini Nagar) - Redevelopment	Real Estate	11,660
20	Industrial Park (Golana and Mitali)	Other Parks	11,345

List of leading infrastructure projects coming up over the next 5 years – Mining

Sr. No.	Project Name	Sub Industry	Cost (₹. Cr.)
1	Kerendari-A Coal Block Project	Coal	17,290
2	Gevra Open Cast Coal Mining Project - Expansion	Coal	11,816
3	Kotre Basantpur Pachmo Open Cast Coal Mining Project	Coal	9,294

Sr. No.	Project Name	Sub Industry	Cost (₹. Cr.)
4	Lignite Mining (Valia) Project	Lignite	8,999
5	Gare Palma Sector-I Coal Mining Project	Coal	8,780
6	Gare Palma Sector-II Coal Mining Project	Coal	7,642
7	Kusmunda Coal Mining Project - Expansion	Coal	7,612
8	Amadand Opencast Coal Mining Project - Expansion	Coal	7,357
9	Ultra Supercritical Coal Power (Khedar) Project	Coal	7,250
10	Banhardih Coal Mining Project	Coal	6,750
11	Iron Ore Beneficiation and Pelletisation (Keonjhar and Paradip) Project	Iron Ore	6,650
12	Iron Ore Beneficiation Plant (Ghantikhal)	Iron Ore	6,112
13	Sanghamitra Open Cast Coal Mining Project	Coal	5,746
14	Moonidih Coking Coal Washery Project	Coal	5,562
15	Noamundi Iron Ore Mining Project - Expansion	Iron Ore	5,558
16	Dipka Open Cast Coal Mining Project - Expansion	Coal	5,241
17	Amrapali Opencast Coal Mining Project - Expansion	Coal	5,136
18	Pakri Barwadih Opencast Coal Mine Project - Expansion	Coal	5,045
19	Banded Hematite Quartzite Beneficiation Plant (Hedri)	Iron Ore	5,000
20	Iron Ore Beneficiation and Pelletisation (Paschimi Singhbhum) Project	Iron Ore	4,700

Review and outlook of Indian tractor industryReview of Indian tractor industry

Historic domestic tractor industry

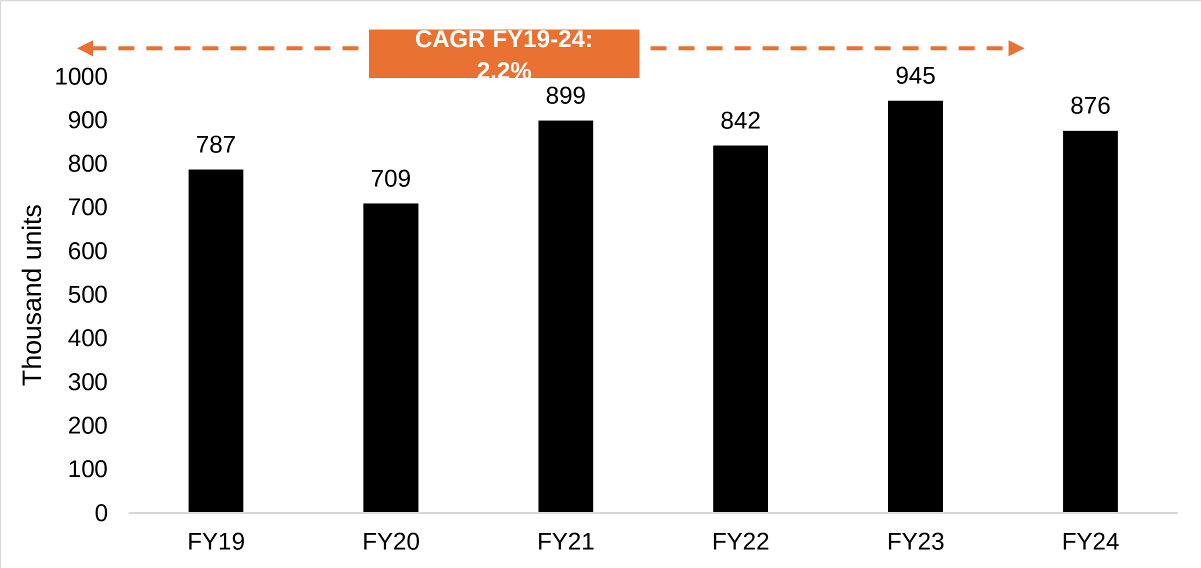
In fiscal 2022, domestic tractor demand dropped 6.4% on-year after growing 26.6% in fiscal 2021. Price hikes by OEMs, higher inventory at dealerships, lower commercial demand, negative farmer sentiment owing to rising cost of cultivation, low fertiliser availability and increase in other expenditure (such as marriages and other social occasions) hampered the demand.

In fiscal 2023, tractor sales grew 12.2% on-year to an all-time high of ~945,000 units. Healthy crop prices, sound reservoir levels owing to above-normal monsoon, higher MSPs announced by the government and better rabi acreage, all led to positive farmer sentiment. Healthy festival demand because of various schemes and discounts supported the retail growth momentum. Commercial demand during the fiscal, however, remained rangebound in fiscal 2023 owing to slower retail momentum in eastern states and a complete ban on sandmining. In the last fiscals, the governments in states such as Bihar, Jharkhand and Uttar Pradesh had clamped down on illegal sand mining, negatively impacting commercial demand for tractors.

Last fiscal, domestic tractor sales dropped by 7.4% on-year to ~875,724 units, on account of lower reservoir levels and negative farmer sentiments. Negative farmer sentiments also impacted the festive demand, with sales in the festive months September, October, and November for fiscal 2024 - being lower by 6% on-year as compared to the same period last fiscal. Uneven rainfall distribution with monsoon being 6% below normal for the season has led to slower pick-up in the retail market. Barring north-west and central India, remaining regions reported deficit rainfall over normal impacting tractor demand. Reservoir level for the country as of 2nd May 2024, remained at 28% capacity as a percentage of live capacity. Erratic monsoon, lower reservoir levels, anticipated decline in rabi acreage contributed towards a 7.4% on-year decline in tractor sales for fiscal 2024.

A large part of domestic tractor sales is driven by replacement demand. The typical holding period for a tractor is 6-9 years. Most of the tractors in the country is replaced within 7-8 years. Of the domestic demand, 50-60% constitute replacement demand. In states with high penetration of tractors, such as Punjab and Haryana, the replacement demand accounts for 70-80% of total sales. On the other hand, states with lower farmer incomes than that in Punjab and Haryana have a lengthier replacement cycle (higher age tractors) vs industry average.

Domestic tractor industry logged 2.2% CAGR between fiscals 2019 and 2024



Source: TMA, CRISIL MI&A Consulting

Factors impacting tractor industry

Improving crop prices and pick-up in infrastructure development to drive domestic tractor demand

Parameters	Impact			
	FY21	FY22	FY23	FY24E
Farm income	**F**	**N**	**F**	**N**
Crop prices (minimum support prices or MSPs)	F	N	F	F
Crop output	F	N	F	N
Kharif output	F	N	F	N
Rabi output	F	N	F	N
Demand indicators	**NF**	**N**	**N**	**N**
Infrastructure development	NF	N	F	F
Sand mining	N	N	N	N
Finance	**N**	**N**	**N**	**F**
Agri credit, finance availability	N	N	N	F
Supply	**F**	**NF**	**NF**	**N**
Channel inventory	F	NF	NF	N
Player action: Pricing and products	F	F	N	N

Note: F - Favourable, NF - Not Favourable, N - Neutral
Source: CRISIL MI&A CONSULTING

Irrigation intensity and monsoons

Irrigation plays a vital role in determining the demand for tractors. The irrigation spend, which increased significantly in the last two decades, have aided both irrigation and cropping intensity, thus leading to higher and stable farm incomes. Irrigation intensity is expected to improve further over the medium term, thus supporting tractor sales. Punjab and Haryana have the highest irrigation intensity and also account for the highest tractor penetration in India. Thus, as irrigation facilities improve in other parts of India, tractor penetration will see a corresponding increase. However, extremely fragmented landholdings in certain states may deter them from reaching higher tractor penetration. Besides, deficient monsoons also impact reservoir levels and, in turn, irrigation.

Landholding pattern

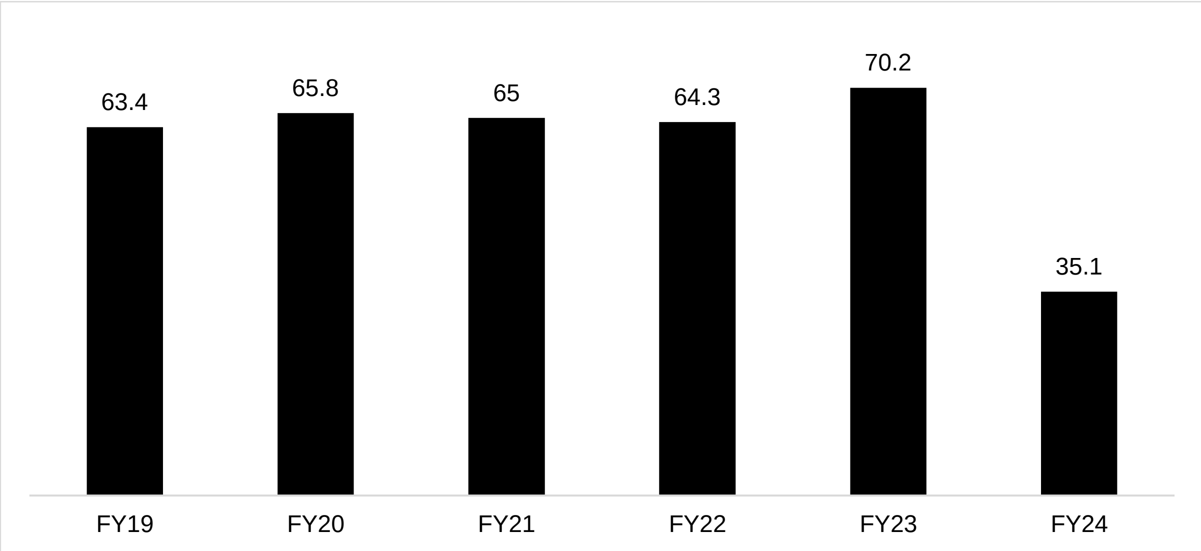
The average landholding size in India is very low at 1.16 hectares (ha) as against the world average of 3.7 ha, with about 68% of the farmers being marginal farmers (holding less than 1 ha). This has been a negative factor for tractor sales. Moreover, the average landholding size has been declining due to socio-economic factors such as the break-up of joint families and division of ancestral land. This has both positive and negative impacts on tractor demand. With the division of larger landholdings into smaller ones, the number of tractors required is expected to rise. However, the purchase of a tractor would become uneconomical for small farmers when the farm sizes are reduced (as a result of the sub-division of already small landholdings). But with the proportion of landholdings below 2 ha being very high, consolidation of landholdings will drive demand in the long run.

Availability of credit

MGNREGA spending

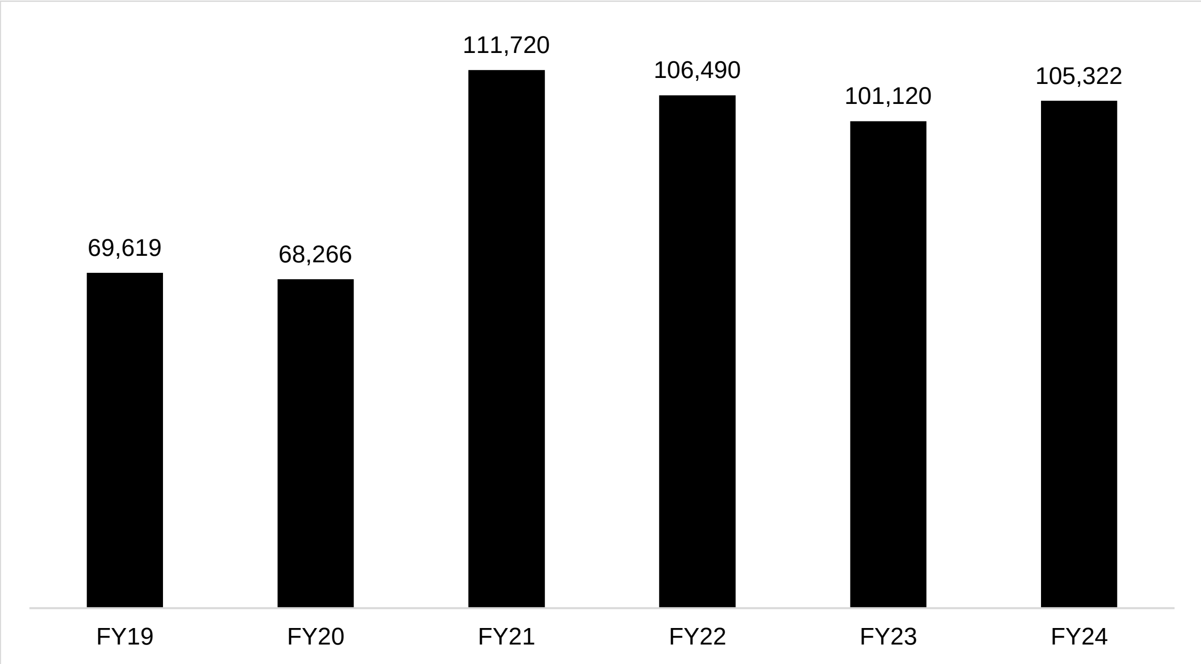
MGNREGA is an employment-generating and asset-creating scheme of the central government and make up a large portion of the expenditure budget of the Department of Rural Development. It is a social safety net scheme and is driven by demand. So, periods of rural stress or shocks result in higher-than-budgeted spending under this scheme. In fiscal 2024, the budget allocation for MGNREGA was Rs 86,000 crore. In fact, the actual spends under the scheme have on average been higher than the budgeted amount in the past.

MNREGA expenditure (in Rs crore)



Source: Ministry of Rural Development, CRISIL MI&A CONSULTING

MNREGA expenditure as a percent of total agriculture and agriculture allied works



Source: Ministry of Rural Development, CRISIL MI&A CONSULTING

MSPs of food grains

The government's price policy for major agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encouraging higher investment and production and safeguarding the interest of consumers by making available supplies at reasonable prices. Towards this end, the government announces MSPs for 22 mandated crops and fair and remunerative prices (FRP) for sugarcane based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after considering the views of concerned State Governments and central ministries/ departments. The 22 crops are 14 kharif crops (paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soybean (yellow), sunflower seed, sesamum, nigerseed and cotton), six rabi crops (wheat, barley, gram, masur or lentil, rapeseed and mustard and safflower) and two commercial crops (jute and copra). In addition to that, MSP for toria is fixed on the basis of MSPs of rapeseed and mustard and that for de-husked coconut on the basis of that of copra. While recommending MSPs, CACP considers important factors, such as cost of production; the overall demand-supply situation of various crops in domestic and world markets; domestic and international prices; inter-crop price parity; terms of trade between agricultural and non-agricultural sectors; likely effect of price policy on rest of the economy; and a minimum of 50% as the margin over the cost of production.

- **MSP for paddy and maize (fiscals 2018-2023):** An analysis of the trend shows that there has been an exponential rise in MSPs for paddy and maize. The MSP for paddy, which was Rs 1,550 per quintal in fiscal 2018 increased to Rs 2,040 in fiscal 2023, logging a 5.6% CAGR. Meanwhile, MSP for maize increased from 1425 per quintal to Rs 1962, logging a 6.6% CAGR.
- **MSP for major oil seeds:** The MSP for groundnut logged a 5.6% CAGR from Rs 4,450 per quintal to Rs 5850 during the period. Similarly, sunflower seeds and soyabean witnessed a CAGR of 9.3% and 7.1%, respectively.
- **MSP for wheat (2017-18 to 2022-23):** The MSP for wheat was Rs 1,625 per quintal in fiscal 2018. This increased to Rs 2,015 in fiscal 2023 at a CAGR of 4.4%.

MSPs are the government-fixed procurement prices of food grains. These prices form a base for the calculation of market prices. Any change in MSPs directly affects farmers' income and, in turn, their loan repayment capability. MSPs have helped reduce the volatility in farm incomes, notwithstanding some fluctuation in agricultural production because of deviation in rainfall. In fiscal 2019, the average MSP hike was around 15-20% on-year. Coupled with, good crop output, it resulted in higher farm income across major regions. However, last fiscal, the MSP hike was only 4-6% on-year. Going forward, the government is unlikely to increase MSPs sharply because of its fiscal constraints and as part of its effort to control inflation, which is seen emerging as the central pillar of its economic policy.

Cropping pattern

State governments are encouraging and educating farmers to improve farm productivity to boost their incomes. To improve farm productivity, they are urged to take up multiple cropping. Farmers will find use of tractors extremely helpful in this context as they quicken the operations. Farmers will be able to move on to the next crop faster with the use of tractors.

Increase in cash crop production

Extensive cultivation of cash crops has yielded higher incomes for farmers and boosted tractor demand. Over the years, cultivation of cash crops has been rising in terms of the land area and the share of output.

Nature of soil

Smaller tractors are more suitable for soft soil conditions, as conducting agricultural operations in such conditions requires low-power tractors. In India, the northern states of Punjab and Haryana and the western parts of Uttar Pradesh have relatively soft soil. Hence, the demand for small tractors is high in these regions. In the southern and western regions, the soil is relatively hard, thus requiring medium and large-sized tractors.

Crop mix

The crop mix and the nature of crops cultivated have a significant role in determining the choice of a tractor. Medium and large tractors are preferred for the cultivation of cash crops such as sugarcane and cotton, which demand high intensity activities and for which timeliness of operations is significant. Similarly, high-power tractors are preferred in the case of intensive farming and multiple cropping, land bed preparation, harvesting and when transportation needs to be quick.

Replacement demand

The lifespan of a tractor is estimated at 18-20 years, though in actual it may vary depending on the soil and cropping conditions. Usually, farmers prefer replacing their old tractors with upgraded, high-power vehicle. Hence, given the increasing income levels replacement demand in states such as Punjab and Uttar Pradesh would be high for high-power tractors.

Purpose of use

The choice of a tractor depends on whether the customer is a farmer, who purchases for agricultural purposes, or a contractor, who would use it for commercial purposes such as in construction projects for the transportation of goods and materials. High-power tractors are preferred for construction purposes.

Resale price of tractors

A tractor is typically replaced after 6-8 years of use (though the lifespan is 18-20 years). Since farmers use the proceeds from the sale of old tractor to pay the margin money for the new one, the likely resale price is a key consideration while buying the new one.

PMGSY completion trend

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by constructing a single all-weather road, to the eligible unconnected habitations in the core network with a population of 500 persons and above (Census 2001) in plain areas. The phase 1 of the scheme was launched in 2000. Under the scheme, the Centre had recognised 178,184 habitations, of which 97% of the eligible and feasible habitations were connected as of November 2019.

Further, the government launched a new intervention in the scheme, namely PMGSY-II, in fiscal 2014 aiming to consolidate 50,000 km of existing rural road network to improve its overall efficiency as a provider of transportation services for people, goods and services. As of date, 41,434 km of rural roads have been sanctioned under PMGSY-II, of which 75% have been completed. The umbrella scheme involves construction/ upgradation of over 800,000 km of rural roads. Under PMGSY-I, 97% of the target has been achieved. PMGSY-III targets 40% lesser length that constructed over the last five fiscals.

The PMGSY-III, announced in the Union Budget 2019-20, aims to consolidate 125,000 km road length in states over the next five years. The scheme will also include 'through routes' and 'major rural links' that connect habitations to Gramin Agricultural Markets (GrAMs), higher secondary schools and hospitals.

It will entail an estimated cost of Rs 80,250 crore (central share Rs 53,800 crore and states' share Rs 26,450 crore).

The road length to be constructed under PMGSY-III is significantly lower than 218,000 km constructed under the umbrella scheme between fiscals 2015 and 2019. CRISIL Research expects investments in rural roads to slow down ~10% over the next five years, due to the lower targets.

Rural road construction (in km) in fiscal 2020 stood at ~27,000 km, almost half of ~49,000 km constructed in the previous year. In fiscal 2021, the construction was ~37,000 km and in fiscal 2022, ~42,000 km. Last fiscal, the construction remained muted and failed to achieve the target. This fiscal, the target has been cut to 38,000 km.

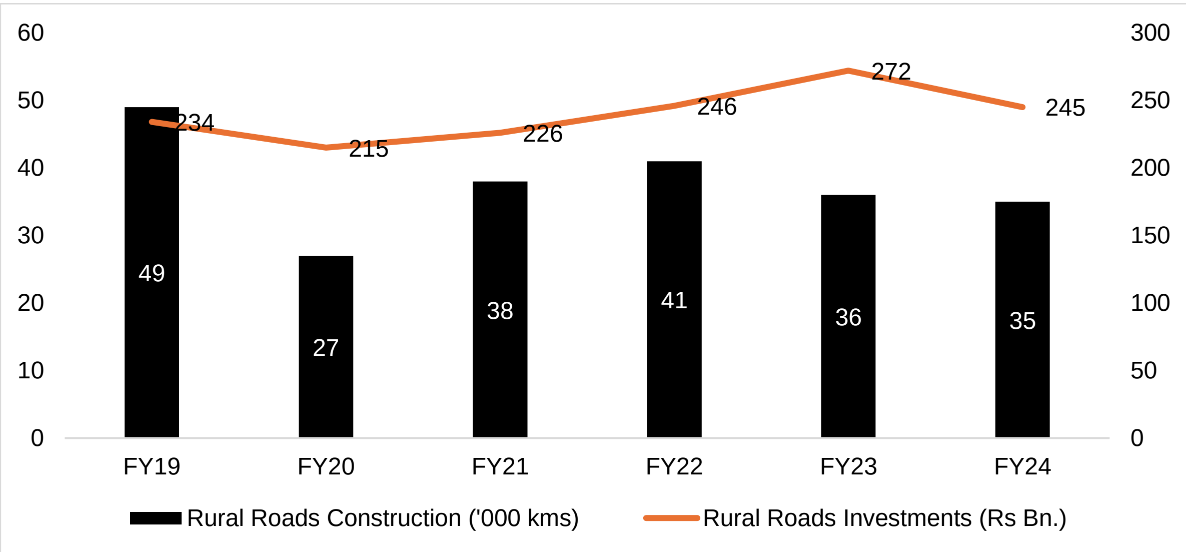
After fiscal 2017, central budgetary allocation to the scheme was kept at Rs 190 billion. In fiscal 2023, budgetary allocation was increased to Rs 195 billion. The actual expenditure, however, was lower than the allocation last fiscal, with achievement ratio slipping to 74% from 81% in fiscal 2019. Total investment in PMGSY, both state and Centre, was Rs 234 billion in fiscal 2019, up 35% from Rs 173 billion in fiscal 2018, because of an uptick in the length being constructed and higher cost per km.

Despite the challenges, the progress under PMGSY has been satisfactory. The vertical-wise details of achievement under the PMGSY (overall) are as follows:

Vertical	Sanctioned			Completed		
	No of roads	Road length (in km)	No of bridges	No of roads	Road length (in km)	No of bridges
PMGSY-I	164806	645605	7516	159783	613030	5864
PMGSY-II	6700	49885	765	5755	46468	562
RCPLWEA	1030	10231	463	363	5310	135
PMGSY-III	9972	77129	708	1984	29773	96
Total	182508	782850	9452	167885	694581	6657

Source: PIB, CRISIL MI&A CONSULTING

Investment in rural road construction

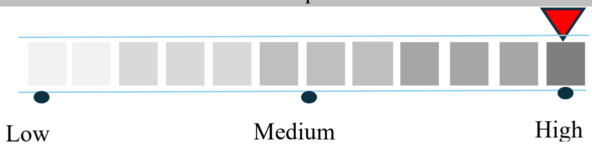
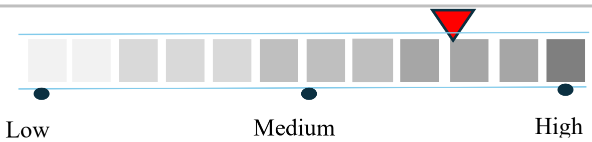
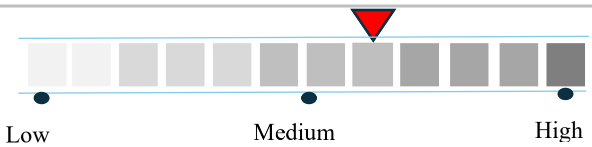
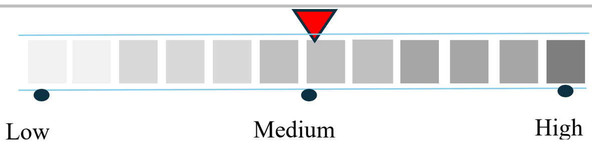


Source: Ministry of Rural Development, CRISIL MI&A CONSULTING

Residual construction target under PMGSY-II and future targets under PMGSY-III are largely concentrated in northern and eastern states in the country. It is expected that Odisha would see 15-20% of the targeted rural road construction under the PMGSY, Assam 9-11%, and Arunachal Pradesh, Bihar and Uttarakhand 5-10% each. Other states such as West Bengal and Himachal Pradesh and Union territory of Jammu also have potential for rural road construction under the scheme.

Demand drivers

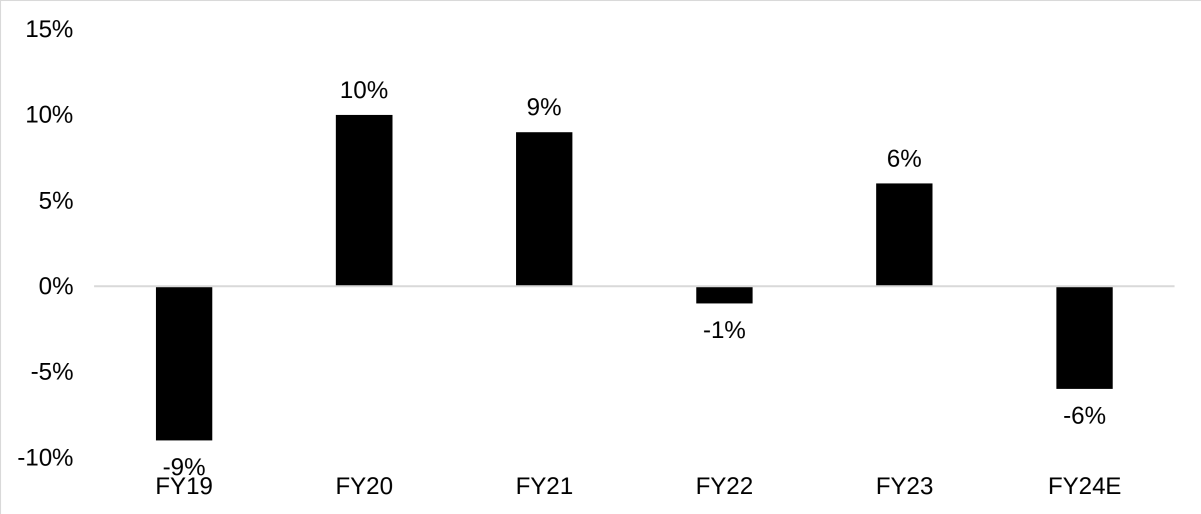
Tractor demand in the country is mainly dependent on farmer incomes from agricultural operations, which, in turn, gets impacted by various factors such as monsoon, crop prices, government procurement, etc. The government regulation governing rural infrastructure development also affects non-farm tractor demand, which accounts for roughly 20-25% of overall domestic demand for the vehicles. Additionally, availability of formal financing channels also supports the demand.

Risk factor	Impact
Monsoon performance	
Crop prices	
Government regulation	
Finance availability	

Monsoon performance

The south-west monsoon (Jun-Sep) and to some extent the north-east monsoon (Oct-Dec) are critical to the Indian agriculture sector as the overall farm output is dependent on the rains. A poor monsoon with uneven geographical spread and an unseasonal rainfall can severely impact the farm output, impacting the farmers' income and denting the rural economy. This, in turn, affects tractor demand. Monsoon, therefore, is the biggest risk factor for the tractor industry.

In fiscal 2018, the monsoon was normal and tractor demand saw revival, with sales increasing a healthy 22% on-year. In fiscal 2021, 9% above normal monsoon and positive retail sentiments contributed towards a substantial 27% on-year increase in tractor sales. In fiscals 2022 and 2023, monsoon has been normal, thereby contributing towards higher tractor sales, although in fiscal 2023 unseasonal rainfall in March damaged rabi crop to some extent impacting the farmer income and overall crop production. This fiscal, south-west monsoon was delayed in many states impacting the outlook for kharif.



Source: IMD, CRISIL MI&A CONSULTING

Crop prices

Though the central government announces MSPs for 22 crops, only paddy and wheat crops get procured on large scale. Other crops (pulses, oilseeds, vegetables, etc) are mostly sold to mandis/ private traders, and thus subject to high price volatility and cartelisation. Hence, even if the production is in surplus, subdued crop prices can have a negative effect on farmers' cash flow, and, in turn, impact their ability to purchase tractors.

Government regulation

There is significant government intervention in both agri and non-agri aspects of the rural economy. If the increase in MSP is marginal it hurts farm sentiments. The government's monitoring of sand mining activities, funds disbursal towards rural infra development, which are also key drivers for non-farm tractor demand (commercial/non-farm demand of tractors accounts for 15-20% of total tractor demand), can also have a significant impact on the industry.

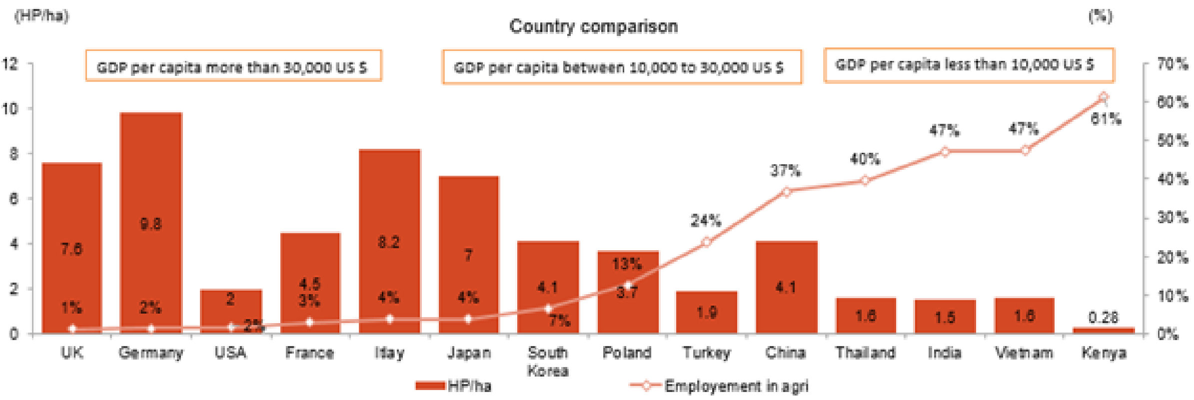
In fiscals 2021 and 2022, illegal mining was at a standstill in states such as Bihar, Jharkhand and Uttar Pradesh, which impacted commercial demand for tractors negatively. Last fiscal, a decline in construction led to slower growth in commercial demand. The factors that are impacting the demand this fiscal are ban on illegal mining and change in rules and regulations governing operation of brick kilns.

Cross-country comparison indicates healthy demand potential

Current tractor penetration in India as of fiscal 2023 is estimated to ~1.8 hp/ha (horsepower per hectare). Tractors are fast replacing bullock carts and labour, as renting a tractor or owning a low-hp tractor is cost-effective. Moreover, tractors earn rental income and help increase cropping intensity (multiple crops sown on the same land). In developed countries, tractor penetration is estimated to be in the range of 3-4 hp/ha, which facilitates superior crop yields relative to India. Even China, having a landholding size of 0.6 ha, has tractor penetration of 4.1 hp/ha.

Lower employment in agriculture and higher GDP per capita are indicators for the countries having higher hp/ha. Hence, opportunity in this space is substantial given relatively low mechanisation levels in India.

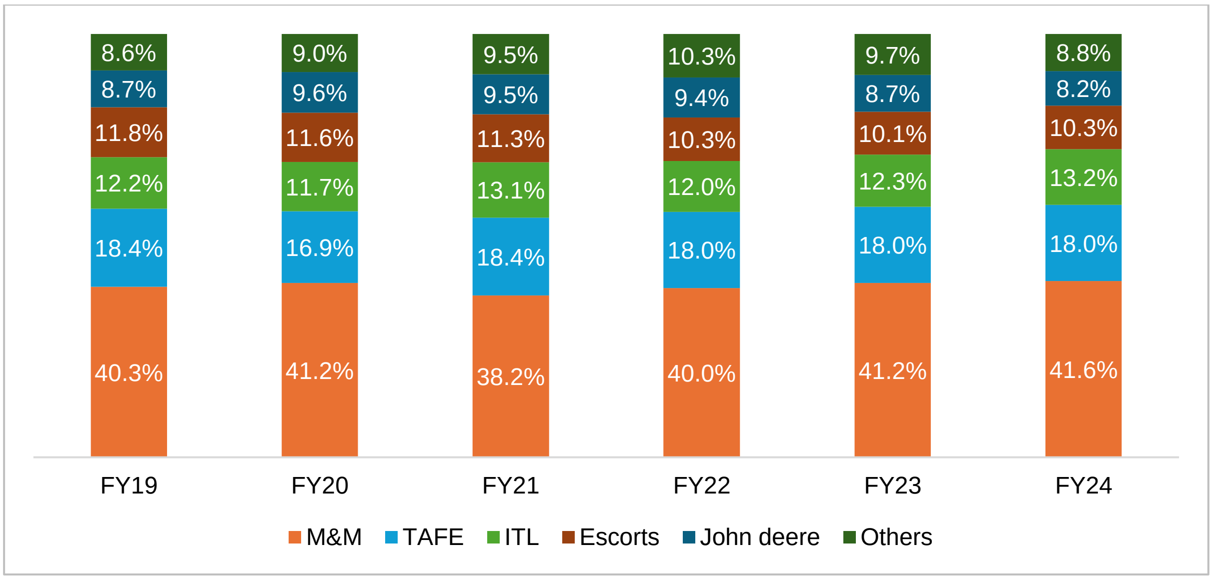
Cross-country comparison of hp/ha



Competition

The structure of the domestic tractor industry has remained largely steady over the years. Mahindra and Mahindra (MandM) continued to lead with 41.2% market share and Tractors and Farm Equipment Ltd (TAFE) remained a distant second with 18% market share as of fiscal 2023. A strong pan-India network reach, strategic location of manufacturing facilities, good brand equity and a comprehensive product range from <20 horsepower (hp) to >50 hp have been the major factors behind MandM's consistent dominance of the industry.

Player-wise domestic market share (volume-wise): MandM gained significant market share last fiscal



Source: CRISIL MI&A CONSULTING

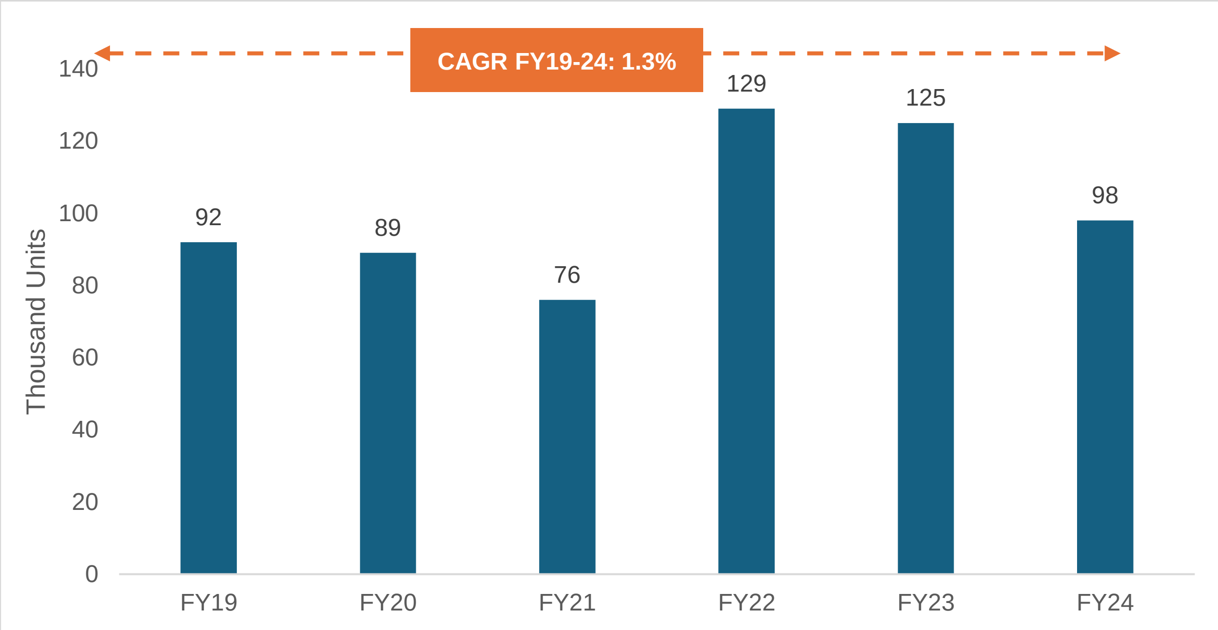
Going forward, CRISIL Research expects the competition in the industry to intensify further. However, the top five players will continue to account for 85-90% of the industry by volume. A strong distribution network, brand recall, captive financiers and diverse product range are critical to maintain market position in the tractor industry.

Tractor exports

Exports, accounting for about 10% of the overall tractor sales as of fiscal 2024, on a low base of 90,000-100,000 post recording a 23-25% on-year decline in fiscal 2024. Revival in demand from the US, Europe and Asia to further support growth.

Strategic push, such as setting up a base in foreign countries, by players to cater to the global demand would aid export sales. ITL's Solis brand has also been gaining popularity in the European markets. With most of the global companies de-risking exports from China due to the complexities and disruptions in the nation, India has become the natural hedge against Chinese exports. Further, with most of the companies equipped to comply with TREM IV norms, exports have bloomed in the past few years.

Tractor exports from India has witnessed a growth of 1.3% CAGR between Fiscal 2019-24



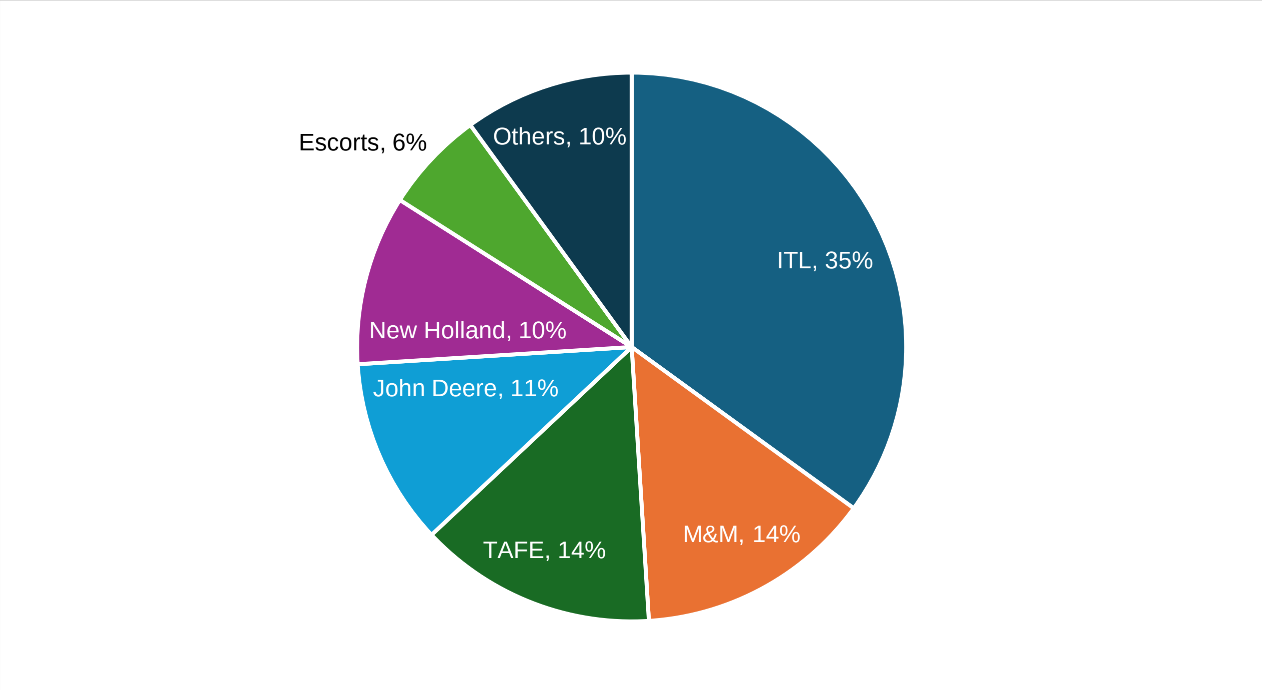
(1) Source: TMA, CRISIL MI&A Consulting

>51 hp segment dominates tractor exports

More than 51 hp tractors accounted for about 62% share in India's tractor export basket for fiscal 2023, the share has come down to 49% in FY24 as demand for lower hp tractors rise. Rising demand for Indian tractors the US and Europe for hobby farming has fuelled demand for lower hp tractors. International tractors limited (ITL) is the largest player in <30 hp tractors while John Deere leads in >51hp tractors.

ITL, John Deere and Escorts have been focusing on growing exports to insulate themselves from the cyclic domestic market demand. Market share of ITL has increased from 25% in fiscal 2021 to 35% in FY24. Escorts reduced exports from its Poland factory and has started exporting from India. Mahindra is a dominant player in exports to the United States and Asian nations. John Deere has been using its Indian manufacturing plant to export to the US, its home country.

Player-wise share of tractor exports (fiscal 2024)



(1) *Source: TMA, CRISIL MI&A Consulting*

Outlook of Indian tractor industry

Domestic demand to grow 4-6% over next five years on a high base (fiscals 2024 – 2029)

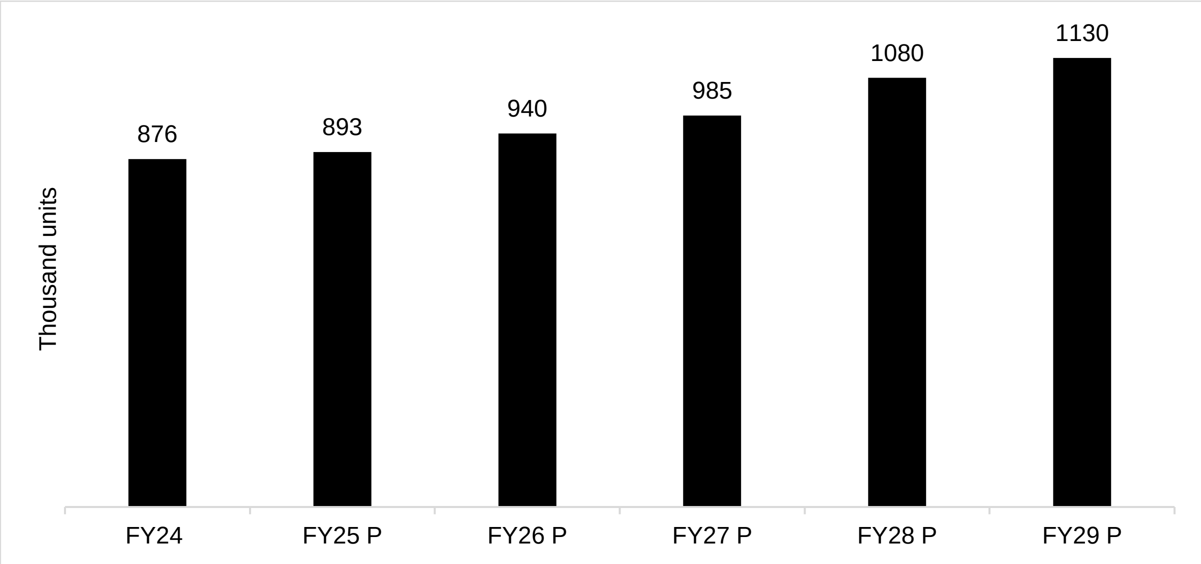
CRISIL Consulting projects domestic tractor sales to expand at 4-6% compound annual growth rate (CAGR) during fiscals 2024 to 2029, after factoring in one to two years of erratic monsoon during the period along with healthy sales expected in the remaining years. From fiscal 2018 to 2023, the industry registered a CAGR of 5% due to healthy sales in fiscals 2017, 2018, 2021 and 2023.

However, anticipated decline in rabi profitability, low subsidy disbursement in the first quarter amid general elections and slower growth in commercial demand to prevent further growth.

Growth up to fiscal 2029 will be on the back of low tractor penetration in the country (three tractors per 100-hectare area), government's focus on improving farm incomes through various schemes, promotion of farm mechanisation, and investments to improve rural infrastructure.

Tractors is a cyclical industry and has been observed that whenever the industry gets into a downturn, it takes 4-5 quarters for the industry to recover. Thus, assuming that the industry will be impacted by poor monsoon for one to two years between fiscal 2024 and 2029 with the industry taking 4-5 quarters to recover, our long-term assessment suggests that the tractor industry will grow at a CAGR of 4-6%. The growth will be supported by low tractor penetration in India (3 tractors per 100-hectare area); government's focus on improving farm incomes through various schemes, promoting farm mechanization; and investments to improve rural infrastructure.

Tractor industry sales expected to increase 4-6% between fiscals 2024 and 2029



E: Estimated; P: Projected
Source: CRISIL MI&A Consulting

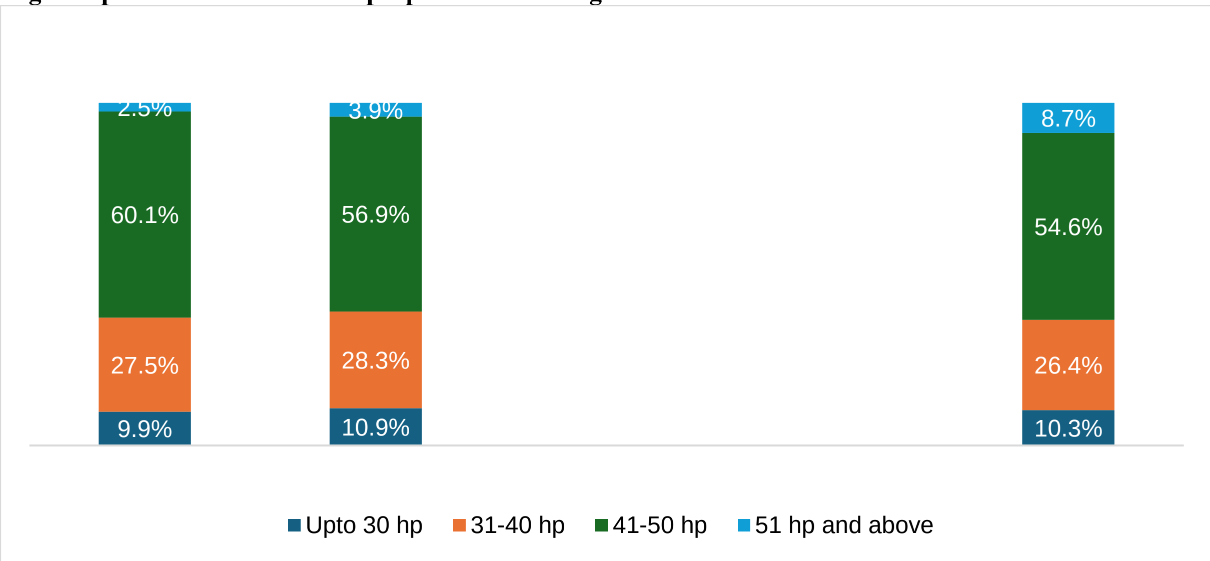
Replacement demand is expected to be higher by 4-6% on-year in fiscal 2024 and rise by 8-10% on-year in fiscal 2025 with healthy sales registered in fiscals 2017 and 2018.

Segment-wise growth outlook (fiscals 2024 – 2029)

CRISIL expects upgradation from 31-40 hp tractors to 41-50 hp tractors over the next five years, as farmers are likely to upgrade to higher hp segments, realising the benefits of mechanization and higher productivity from increased usage of implements along with tractors. Additionally, the growing trend of collaborative farming, increasing commercial usage, and higher irrigation intensity will boost usage of higher hp tractors. However, in case of a decline in farm incomes on account of weak monsoon, farmers tend to shift towards lower hp tractors (below 40 hp). We expect a more gradual movement towards 51 hp and above tractors, as they are less amenable to multipurpose applications (like the 41-50 hp) and the price gap is big (at least 10-15% between a 50 hp and a 55-60 hp tractor since emission norms change at 50 hp).

The market for 70-75 hp tractors is niche and is still evolving in India. These tractors are used mainly for farming along with implements, while 41-50 hp tractors can also be used for haulage and commercial activities such as sand mining. This increases their viability as these can be used for at least 700 hours a year.

Higher hp tractors to see rise in proportion over long run



E: Estimated; P: Projected
Source: CRISIL MI&A Consulting

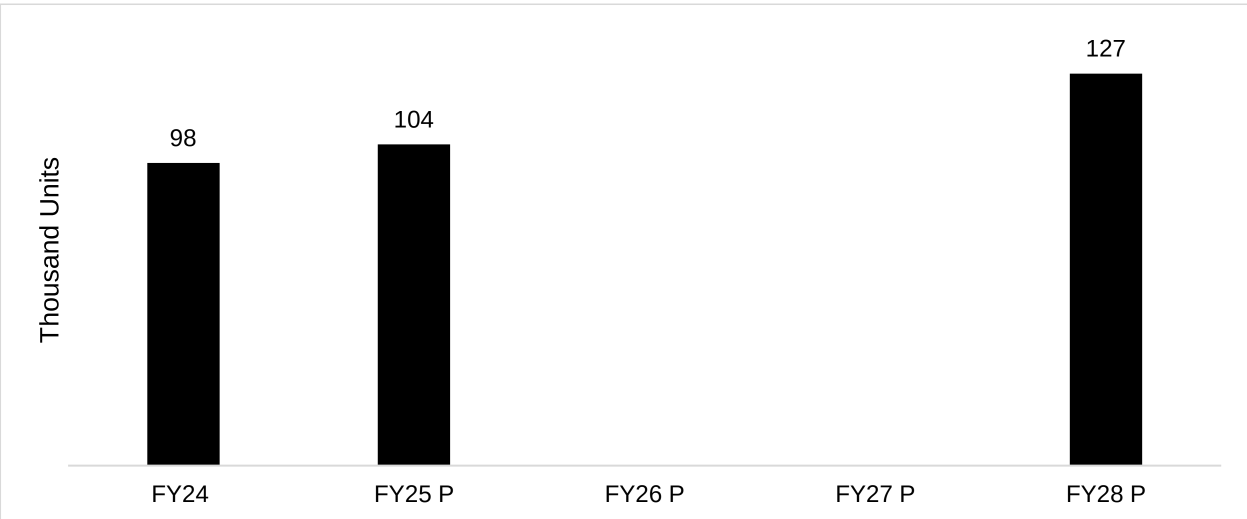
Exports expected to grow at a CAGR of 5-7% from fiscal 2024 to fiscal 2029 amid healthy demand from United States and other Asian and European countries

Exports, accounting for about 10% of the overall tractor sales as of fiscal 2024, are expected to grow by 8-10% on-year to 100,000-110,000 units in fiscal 2025 on a low base of 90,000-100,000 post recording a 23-25% on-year decline in fiscal 2024. Revival in demand from the US, Europe and Asia to further support growth.

Strategic push, such as setting up a base in foreign countries, by players to cater to the global demand would aid export sales. ITL's Solis brand has also been gaining popularity in the European markets. With most of the global companies de-risking exports from China due to the complexities and disruptions in the nation, India has become the natural hedge against Chinese exports. Further, with most of the companies equipped to comply with TREM IV norms, exports have bloomed in the past few years.

The compound annual growth rate (CAGR) between fiscals 2024 and 2029 is expected to be 5-7%. The United States, Europe and Asia are likely to remain the focal regions for long-term exports. Further, with India emerging as an export hub for relatively small tractors (30-75 horsepower/hp), and major companies increasing focus on international markets with the launch of 90-120 hp tractors, we expect sustainable export growth over the next five years. Rising demand for <30 hp tractors for gardening and hobby farming purposes is also expected to support growth.

Exports expected to grow at a CAGR of 5-7% from fiscal 2024 to fiscal 2029



E: Estimated; P: Projected
Source: CRISIL MI&A Consulting

More than 51 hp tractors accounted for about 62% share in India's tractor export basket for fiscal 2023, the share has come down to 49% in FY24 as demand for lower hp tractors rise. Rising demand for Indian tractors the US and Europe for hobby farming has fuelled demand for lower hp tractors. International tractors limited (ITL) is the largest player in <30 hp tractors while John Deere leads in >51hp tractors.

Key growth drivers

Replacement demand expected to be higher

A large part of domestic sales is driven by replacement demand. Typical holding period for a tractor is around 6 to 9 years with most of the tractors being replaced in the country within 7-8 years. Of the overall domestic demand, 50-60% of the sales are replacement demand. For states having high penetration of tractors such as Punjab and Haryana, the replacement demand accounts for about 70-80% of the total sales. While states where farmer incomes are lower as compared to Punjab and Haryana have a lower replacement cycle (higher age tractors) compared to the industry average.

Replacement demand is expected to be higher by 4-6% on-year in fiscal 2024 and rise by 8-10% on-year in fiscal 2025 with healthy sales registered in fiscals 2017 and 2018.

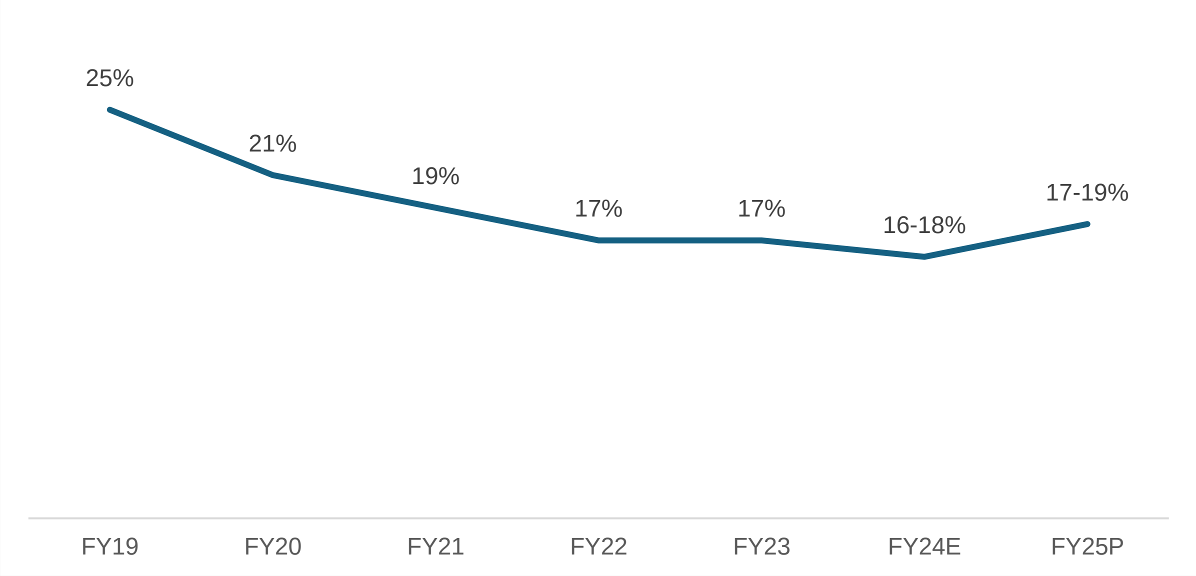
Non-farm usage of tractors on the rise

Tractors are also used in mining, construction and haulage activities. Currently, non-farm usage accounts for 18-23% of demand for tractors. Tractor usage in non-farm activities has been increasing, with the government's focus on improving rural infrastructure. Tractors are used for carrying construction material such as bricks, cement and pipes. Tractors are also being looked at as a better alternative to commercial vehicles, as tractors are more economical, can carry heavy weight, and can also manoeuvre easily on rough, rural roads.

Commercial demand for tractor account for 16-25% of overall tractor demand. Apart from their primary application in agriculture operations, tractors are also used to haul bricks, sand, and farm produce. In poor crop years and in months when there is no agricultural activity, renting out tractors for commercial purposes provides farmers an alternate source of income, thereby proving to be a good hedge. Some tractors are designed specifically for haulage operations and are used exclusively in commercial activities. Based on our industry interactions, tractors are also used as an alternative to pickups for haulage purposes.

Commercial demand is expected to rise at a slower pace in fiscal 2025 with no announcement for the next phase of PMAY-G (with current phase ending in March 2024) coupled with lower investment expected in PMGSY. In fiscal 2024, we estimate commercial demand to remain rangebound, due to slower demand from construction and sandmining activities. Illegal mining activities have been at a standstill in states such as Bihar, Jharkhand and Uttar Pradesh which is expected to impact commercial demand negatively in fiscal 2025.

Commercial demand expected to remain rangebound in fiscal 2025



E: Estimated; P: Projected
Source: CRISIL MI&A Consulting

Rental model and low-cost tractors key to penetrating fragmented land holdings in India

Despite the huge potential total arable land offers, the fragmented land-holding pattern in India remains a hurdle. With over 80% of land holdings being small and marginal (less than 2 ha), most farmers are unable to afford tractors. They depend on renting tractors or buying small tractors to improve productivity, a trend which is rapidly gaining hold.

Custom Hiring Centres (CHC) are a major component of the government's 'Sub-Mission on Agricultural Mechanisation (SMAM)' policy. These centres maintain farm equipment and machinery which can be rented out, especially to small and marginal farmers who cannot afford them. The state governments of Karnataka, Andhra Pradesh, Madhya Pradesh, Telangana, Odisha and Punjab have been promoting CHCs on public-private partnership (PPP) basis through training, demonstration and financial incentives.

Private sector participation via unique business models is also improving farm mechanisation:

- EM3, a new entrant in the farm machinery industry, is creating a pan-India network of Samadhan Kendras which operate as CHCs, with its focus currently on Madhya Pradesh, Rajasthan and Uttar Pradesh.
- Zamindara Farm Solutions uses a combination of library and radio taxi models to provide farm equipment services, with major operations in Punjab.
- OLAM India is using CHC in collaboration with agri-tech service providers for sugarcane harvesting in Madhya Pradesh.

India's agriculture ministry has developed a farm equipment rental app for Indian farmers, which lets them hire tractors, rotavator and other farm related machinery on rent with flexible tenures.

Highest number of CHCs are found in Punjab, UP, Tamil Nadu and Andhra Pradesh followed by Haryana and Odisha. Under SMAM (Sub-Mission on Agricultural Mechanization), ~13 lakhs of agricultural machinery have been distributed while ~15,180 Custom Hiring Centres have been established.

CHCs face challenges such as lack of awareness among consumers about farm equipment usage, availability issue, high initial investment cost, maintenance of farm machinery, and providing equipment specific to local cropping patterns. Monitoring of CHCs remains a major challenge. However, involvement of key stakeholders and introduction of favourable schemes and policies can make the CHC concept successful in India.

Over next few years (fiscals 2024 to 2029), the following structural factors to support growth:

- The government's objective of supporting farmers through direct income support and improvement in land productivity via soil health cards. These measures should improve farmers' crop yields and affordability, improve purchasing capacity and support tractor penetration.

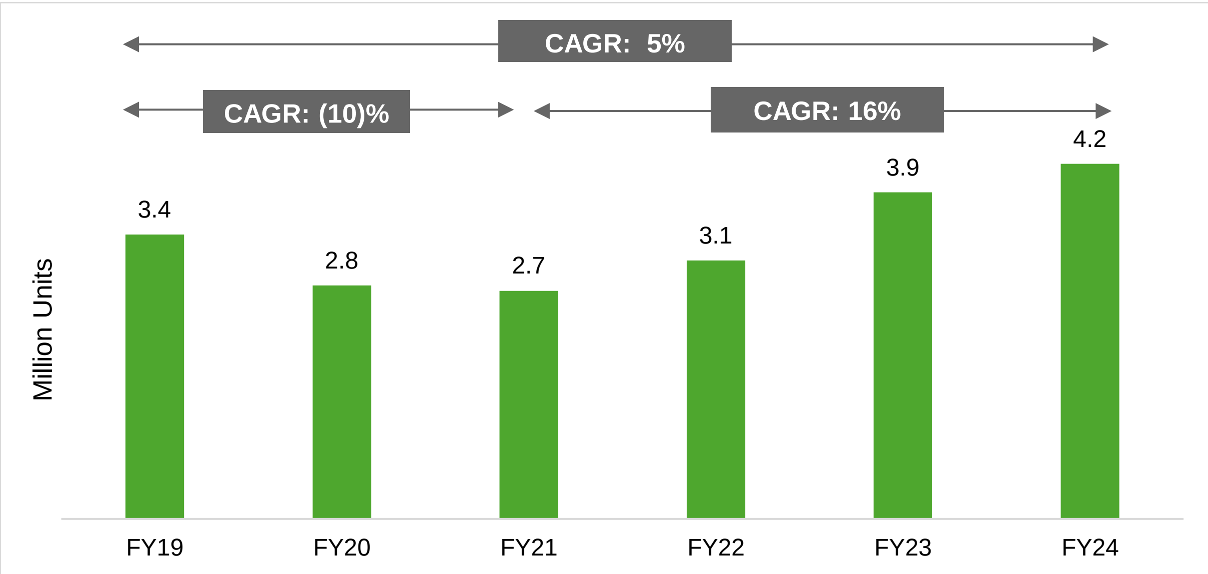
- The government's renewed thrust on enhancing irrigation intensity and making the nation more drought-proof is expected to support agriculture growth and increase mechanisation.
- Custom-hiring centres (CHC) are being promoted through government incentives with number of CHCs rising at a CAGR of 18% from fiscal 2017 to fiscal 2023. The trend is catching up in Karnataka, Madhya Pradesh, Andhra Pradesh, Telangana, and Orissa and encouraging farmers to lease tractors. States such as Karnataka, Madhya Pradesh, Andhra Pradesh and Punjab are promoting such hiring centres through training, demonstrations and financial incentives.
- Tractor rental services made available on mobile applications by manufacturers -- such as Jfarm by TAFE and Trringo by Mahindra -- to prop up demand for tractors in long term. Global companies such as Hello Tractors in association with Aeris, a California-based technology company, is also planning to launch a pay-as-you-use tractor service for Indian farmers.
- Expected rise in commercial demand will boost sales in the coming years.
- Rising demand for lower hp tractor to cater to the small and marginal farm holds to drive growth.
- With increasing government focus on infrastructure, demand for haulage is also expected to rise boosting tractor sales.
- Higher government focus on agriculture and on farmers to lead to healthy crop prices impacting tractor demand positively.

Review and outlook of Indian passenger vehicle industry

Review of Indian domestic PV industry (fiscal 2019 to 2024)

Historic production development (FY19-FY24)

Review of domestic PV sales volumes



(1) Note: Figures in bracket to be read as negative (Eg. (10) to be read as minus 10)

Source: SIAM, CRISIL MI&A

During fiscal 2024, growth momentum of the industry continued, albeit at a slower pace, backed by the continued traction for the SUV segment, intermittent launches and improvement in disposable income. Off the high base of fiscal 2023, the industry grew 9% in fiscal 2024 to reach the historic high of 4.2 million units.

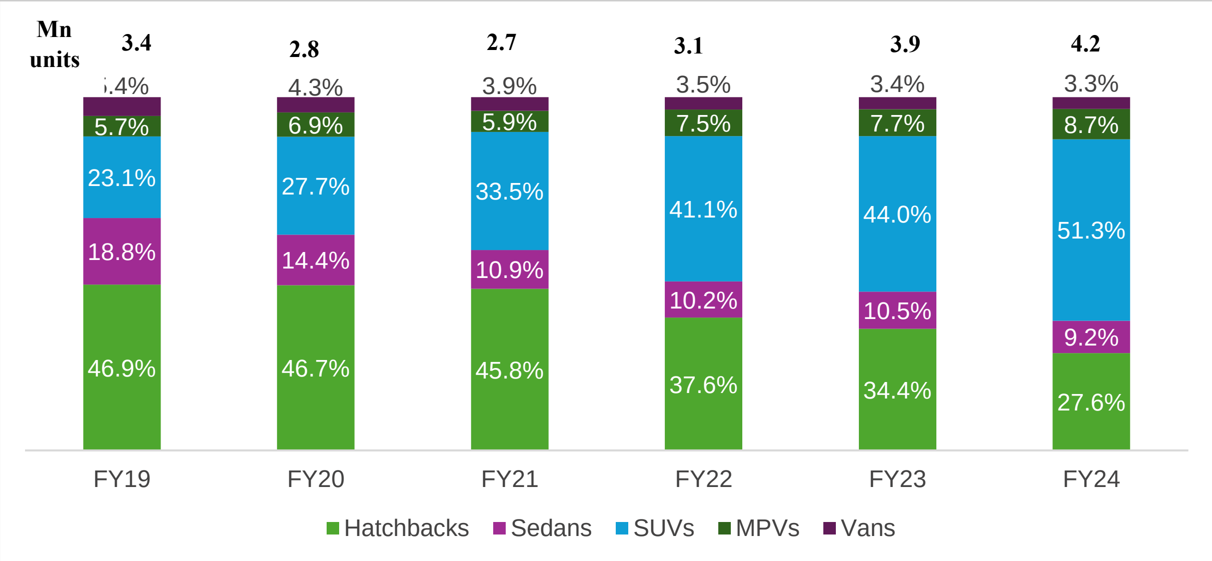
Segmental shifts amidst premiumization

The passenger vehicle industry can be broadly classified basis body types into hatchbacks, sedans, sports utility vehicles (SUVs), multipurpose vehicles (MPVs) and vans. Traditionally, Indian passenger vehicle buyers have been cost conscious, with mileage and initial vehicle buying cost being the two main pillars of decision-making. Thereby, the hatchback segment had been leading PV sales over the years primarily because of the lower ticket size and lower running costs, making them affordable to the average Indian customer.

However, with a growing share of younger buyers who have high global exposure, there is an increasing awareness and preference towards other parameters such as driving experience, safety, advanced features and aesthetics, which are impacting the overall decision-making process. To address this change, OEMs like Tata Motors and Hyundai have showcased enhanced vehicle safety in their recent launches. Several OEMs have also gradually introduced advanced features and trickled them down from their top variants to the mid variants. Furthermore, rising disposable income has also given an impetus to growth in the SUV segment.

There has been a perceptible shift in the customer buying behaviour, where customers are prioritising vehicle experience over costs and are willing to pay a premium and are also ready to accept longer waiting time for the desired vehicle. More and more customers are now opting to buy mid to top level variants that fall within their budgets. This shift towards premium vehicles i.e. premiumisation is resulting in intersegmental as well as intra segmental shifts.

Segment-wise trends in the overall PV sales volumes in India



(1) Note: Figures above bars are the sales volumes.

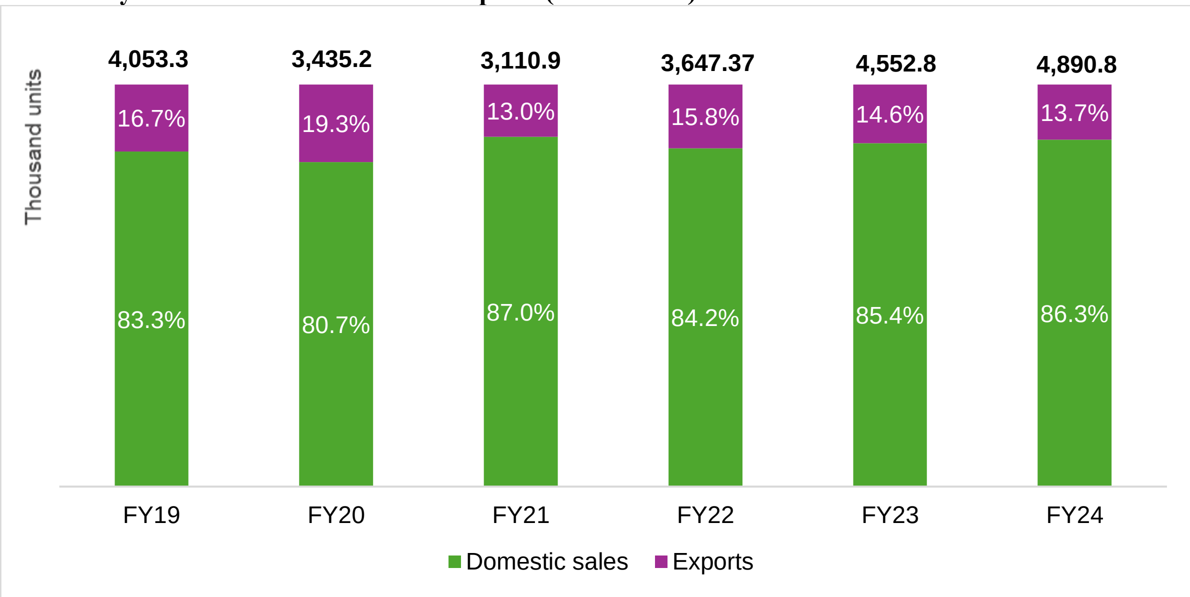
Source: SIAM, CRISIL MI&A

Split of industry by domestic sales and exports

The Indian PV market is largely domestic-focused, with domestic sales being 85.4% of the total sales in fiscal 2023. The share of exports vis-à-vis total sales contracted from 16.8% in fiscal 2019 to 14.6% in 2023. This could be attributed to the moderate growth in the global automobile industry as well as major OEMs focusing on catering to the fast-growing domestic market. Following a ~38.6% year-on-year drop in fiscal 2021, exports improved drastically by 42.9% in fiscal 2022 and 14.7% in fiscal 2023 owing to demand from emerging countries further supported by push from major OEMs.

In fiscal 2020, though, the export share had risen to 19% as OEMs refocused on export markets. Stagnating domestic sales over the past three years resulted in foreign automobile manufacturers such as Ford, General Motors, and Volkswagen increasing their focus on exports, thereby improving their capacity utilisation and boosting revenues. These players were utilising India as an export hub, as witnessed by the consistent increase in the proportion of exports to their total production share. However, with the exit of GM and Ford, and impact of COVID and major OEMs prioritising the fast-growing domestic market over foreign markets, the export volumes declined through fiscal 2021. However, the government, through various schemes including PLI, is boosting domestic manufacturing capacity and is offering free access for Indian OEMs to various markets through Free Trade Agreements. These combined with OEMs developing products in-line with global trends is expected to drive the demand for exports going forward.

PV industry share of domestic sales and exports (FY19-FY24)

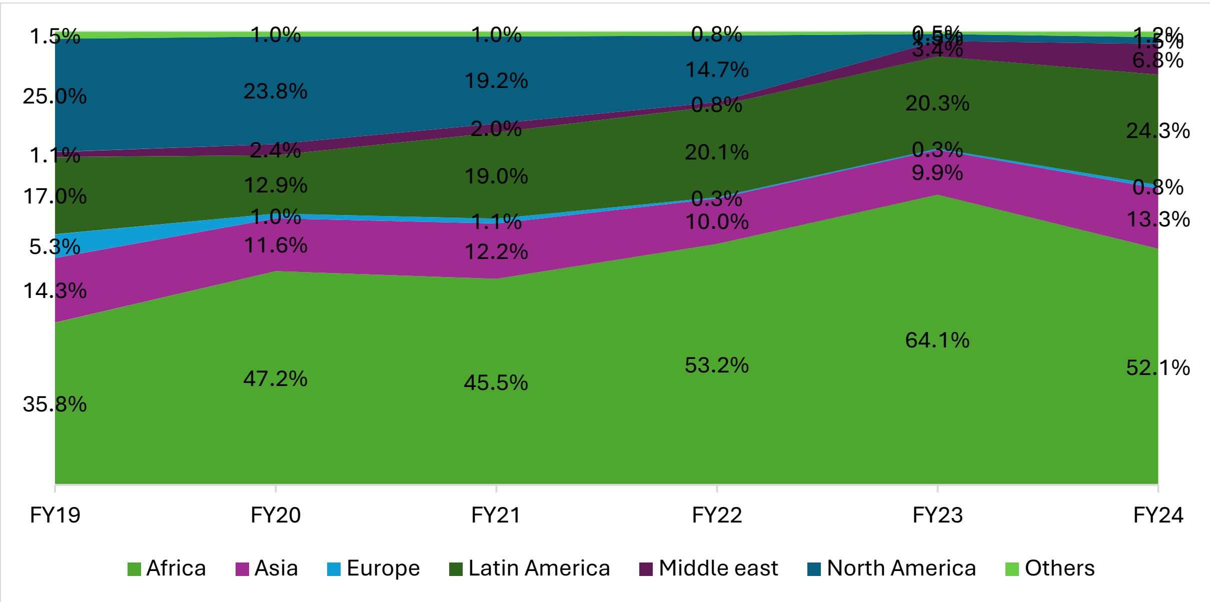


Source: SIAM, CRISIL MI&A

Review of key export destinations

PV manufacturers from India have grown a stable base in African and Latin American countries over the years owing to good brand recognition of Indian brands for entry level cars. Share of exports to Africa increased to 64% in fiscal 2023 from ~36% in fiscal 2019. South Africa, Tunisia and Angola are the key export destinations within Africa. The share of exports to Latin America also increased in the same period from 17% to 20% due to the increased focus on economies like Mexico, Chile, and Peru. Other top export destinations include Saudi Arabia in the Middle East and Philippines and Indonesia in Asia. Exports to North America have decreased gradually in the past five years. This is primarily due to the quitting of American automakers like GM and Ford from India.

Key export destinations, by region (FY19-FY24)

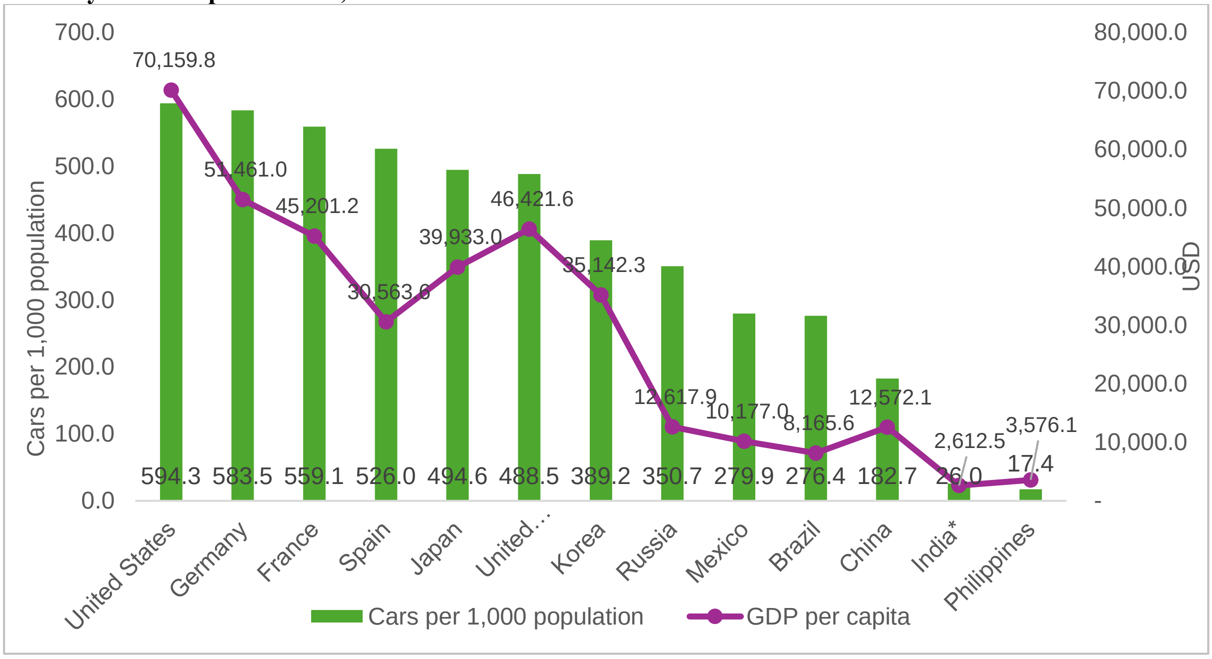


Source: DGFT, CRISIL MI&A

Key historic regulatory/macroeconomic trends and growth drivers for domestic sales

Vehicle Penetration in India

Country-wise car penetration, CY 2021



(1) Note: Data for CY 2021, India Data for FY24;

Source: International Road Federation- World Road Statistics 2023, CRISIL MI&A

Safety norms

Bharat New Car Assessment Program (BNCAP) was launched by Ministry of Road Transport and Highways (MoRTH) on August 22nd, 2023 with an aim to enhance the road safety of passenger cars by increasing the vehicle safety standards of these vehicles. BNCAP would promote a healthy competition between home grown OEMs and international OEMs to manufacture safer cars along with pushing the safety and quality of the vehicles in India. BNCAP rating system is a voluntary assessment program and came into effect on October 1, 2023.

BNCAP crash testing follows similar methodology followed in the Global New Car Assessment Programme (GNCAP). The testing method aims to offer star ratings to cars based on their performance in crash testing. The BNCAP regime has formulated a new standard, AIS 197 and will offer star ratings on a scale of five, for both adult occupant protection (AOP) as well as child occupant protection (COP) offered by a car in a crash test assessment.

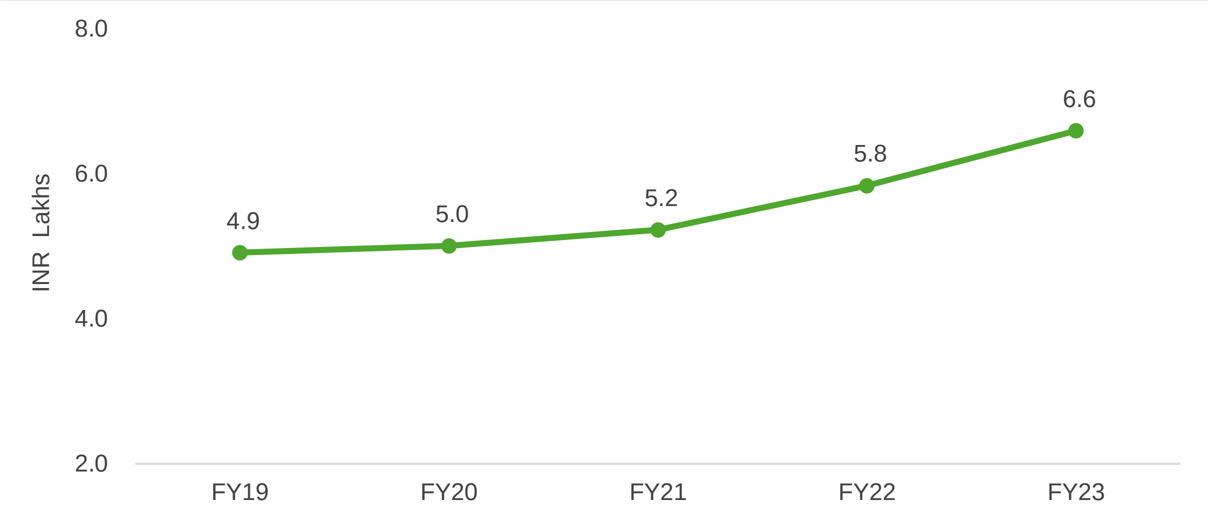
Premiumization trend

The average selling price (ASP) between fiscal 2019 and 2023 increased at a CAGR of 7-8% because of premiumization trend as well as sharp rise in vehicle prices. Modern consumers in India are preferring mid-end or top end version of the vehicles moving away from the traditional fuel-efficient budget friendly small cars towards higher priced feature loaded larger cars which offer much more space, taller ride height, seamless connectivity, and improved performance. Further, there has been a major shift in customer preference with the launch of compact and mid-size SUVs. The share of small cars (hatchbacks) reduced from 46.9% in fiscal 2019 to 34.4% in fiscal 2023. During the same period, share of SUVs increased from 23.1% in fiscal 2019 to 44% in fiscal 2023.

This was majorly driven by shift in consumer sentiments towards newly launched feature rich vehicles in the SUV segment.

Increase in spending from the upper middle class after pandemic led to more purchases of SUVs supported by higher number of models launches in the SUV category (which have higher profit margins) and increase in affordability with launch of compact SUVs led to cannibalization of hatchbacks and compact sedans.

Trend in average vehicle price (ASP)



(2) Note: Based on OEM factory cost;

Source: CRISIL MI&A

The rise in penetration of digital technologies and safety features in the vehicles also aid this ASP growth. There is a growing adoption of cars equipped with sunroof, digital infotainment systems and smart phone connectivity solutions. Modern car buyers who are aware of the safety standards are preferring cars equipped with necessary features like airbags, disc brakes and so on. These systems coupled with inclusion of modern LED lights, camera and radar systems are increasing the overall cost of a vehicle. For example, Hyundai Motor India introduced sunroof in their i10 and i20 hatchbacks back in 2008-09. From then till now, most of the models offered from the company provides sunroof as an option and the company has played a crucial role in popularising modern features in India.

Current EV penetration in Passenger Vehicles

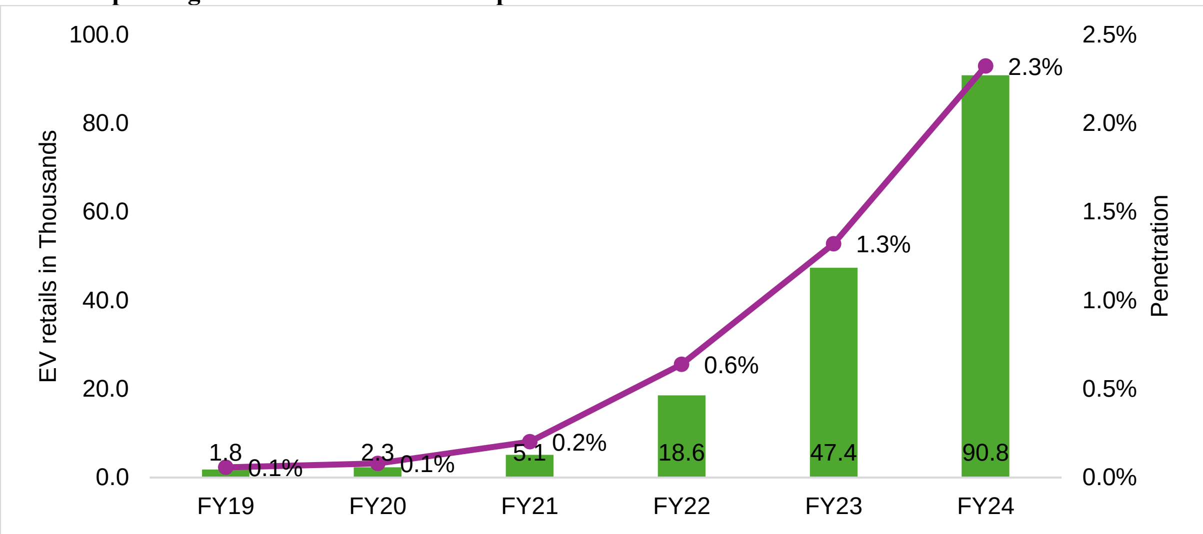
Amid rising environmental concerns, electric vehicles (EVs) are gaining traction globally, including in India. The country is one of the signatories to the Paris Agreement under the United Nations Framework Convention on Climate Change. It is also part of the EV30@30 campaign, targeting a 30% sales share for EVs by 2030.

To accelerate EV adoption, the government has been incentivising consumers by extending support via FAME (Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India) subsidy as well as tax cuts. The government announced INR 100 billion for Phase II of FAME, which commenced on April 1, 2019. The policy aims to provide a subsidy of INR 10,000 per kWh to four-wheelers (battery EVs, plug-in hybrid EVs, strong hybrids) for commercial purposes and public transport. It also envisions creation of infrastructure for charging of EVs.

These schemes alongside the Production Linked Incentive (PLI) schemes, scrappage policy as well as the Make in India initiative is setting up the roadmap for widespread EV manufacturing and adoption. (Policies have been covered in detail in earlier sections)

EV adoption in India is led by two-wheelers and three wheelers, however, passenger vehicles are fast catching up. EV penetration in the passenger vehicle (PV) segment was insignificant till fiscal 2021 amidst limited vehicle portfolio coupled with lower customer awareness. Fast expansion in portfolio (3 models in fiscal 2019 to about 14 models in fiscal 2024), rising awareness, government push and expanding supporting infrastructure caused a sharp rise in EV adoption. EV retails increased from about 2 thousand vehicles in fiscal 2019 to 89 thousand vehicles in fiscal 2024: a 45x increase in 5 years. In turn, the penetration of EVs within the industry retails rose from 0.1% in fiscal 2019 to 2.3% by fiscal 2024.

Domestic passenger vehicles EV retails and penetration trend



(1) Note: VAHAN figures exclude Telangana, Lakshadweep retails

Source: VAHAN, CRISIL MI&A

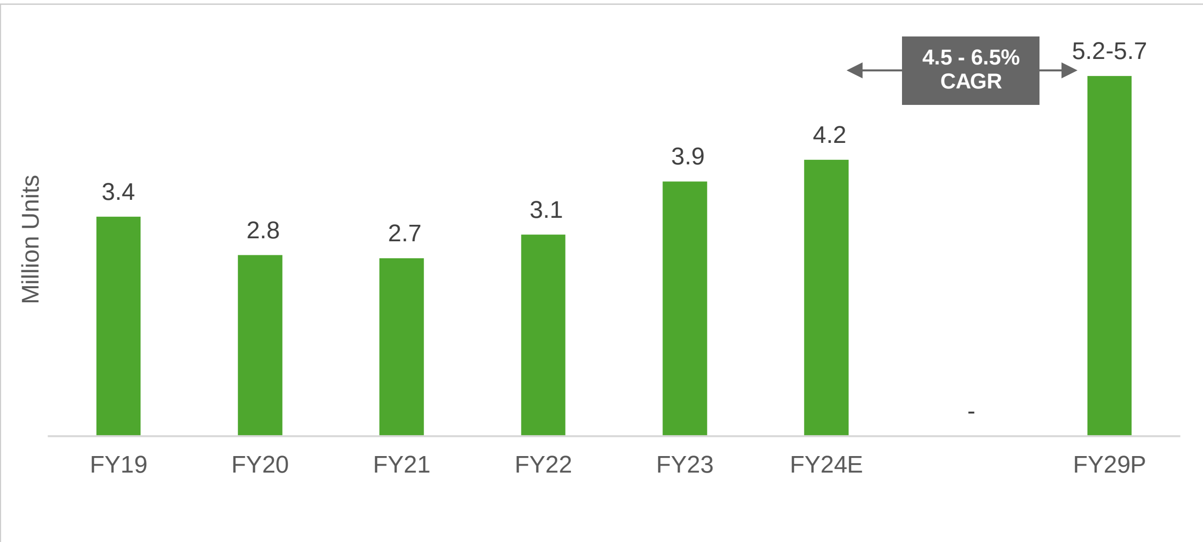
Outlook of Indian domestic PV Industry (fiscal 2024 to 2029)

The domestic passenger vehicle industry grew at a 5% CAGR during fiscal 2019-24 period. Despite the pandemic hiatus, the industry achieved this growth from a record high base of fiscal 2019; led by the sharp rise in traction for the SUV segment, increased vehicle launches coupled with the entry of newer players. Relatively lower impact on disposable income of the upper middle class led to a significant growth in the SUV segment driving overall PV sales. In turn, the industry reached a historic high of about 4.2 million vehicle sales in fiscal 2024.

Despite this healthy growth, India's car penetration (26 cars per 1000 people- fiscal 2024) is still much lower than the car penetration of global peers like China (183), Mexico (280), Brazil (276) as well as of developed countries like United States (594), UK (489), Japan (495) and Korea (389). Thus, there is a lot of headroom for growth for the Indian domestic market.

CRISIL MI&A expects the industry to clock 4.5-6.5% CAGR between FY24 to FY29 period to reach 5.2-5.7 million domestic vehicle sales.

Domestic PV Industry outlook (volumes)



Source: SIAM, CRISIL MI&A

Segmental Outlook

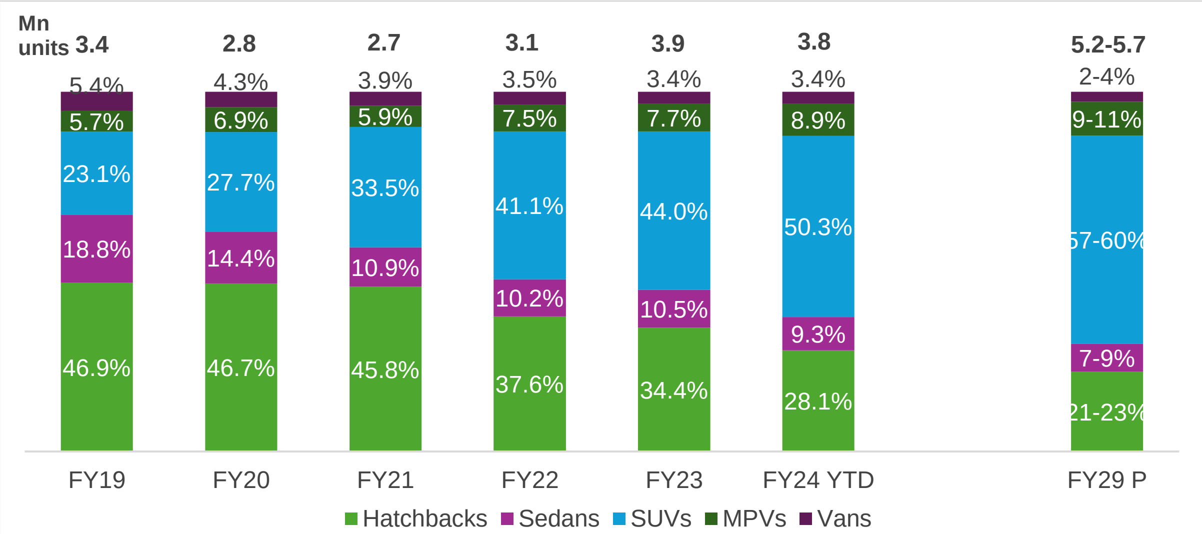
Growth in the domestic industry is expected to be led by the SUV and MPV segments while the hatchback, sedan and vans segments are expected to clock muted growth going ahead.

Segmental growth outlook

Segment	FY19-FY24 CAGR	FY24-FY29P CAGR
Hatchbacks	**(6) %**	**0 - 2.0%**
Compact Hatchbacks	(8) %	(1) -0.5%
Premium Hatchbacks	0%	1.5 - 4.0%
Sedans	**(9) %**	**0.5 - 2.0%**
SUVs	**23%**	**7.0 – 9.0%**
Compact SUVs	23%	6.8 - 8.8%
Mid-Size SUVs	24%	7.8 – 10.0%
Large SUVs	21%	7.2 – 9.2%
MPVs	**14%**	**6.4 - 9.4%**
Vans	**(5) %**	**1.1- 2.0%**
Total	**5%**	**4.5 – 6.5%**

Source: SIAM, CRISIL MI&A

Industry segmental split outlook

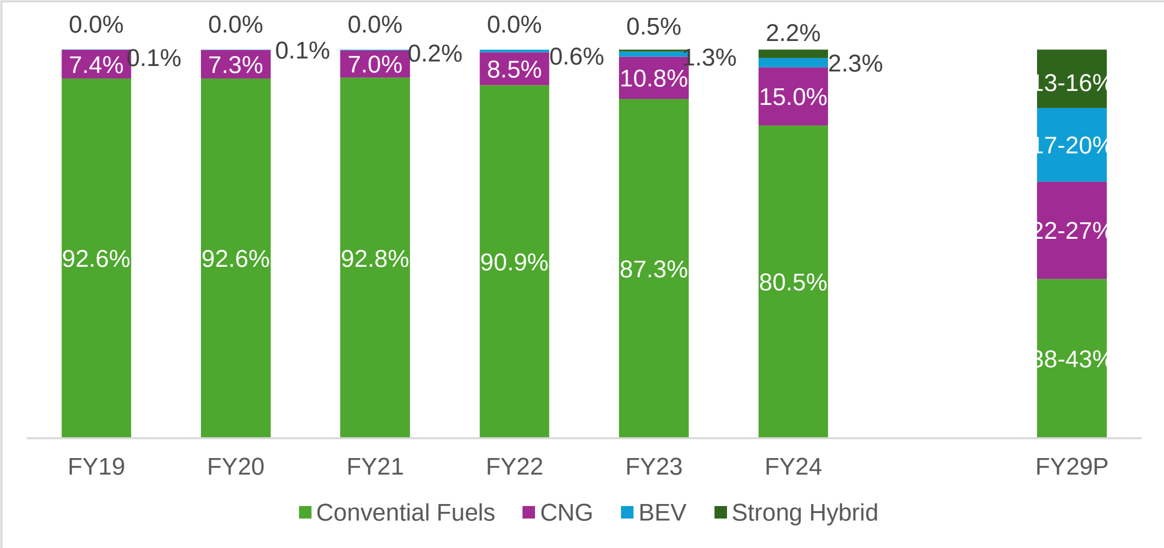


Source: SIAM, CRISIL MI&A

Outlook on the Powertrain mix of the industry

Indian domestic passenger vehicle industry, which was completely dominated by the conventional fuels, has witnessed fast acceptance of alternate fuels especially in the last 2/3 years. In fact, the share of CNG powertrain doubled to 15% while EV (2.3% share) and the latest addition, strong hybrids (2.2% share) expanded their presence in the vehicle retails. Going forward, CRISIL MI&A expects the share of alternate fuel vehicles to witness a multi-fold growth while the conventional fuel vehicle's share will slide.

Powertrain wise Outlook of the industry



(1) Note: Strong hybrid: Vehicles having a combustion engine as well as an electric motor. The vehicle can be powered by the engine, by the battery, or by both simultaneously. Battery of the vehicle is charged by the combustion engine and not by an external power source. Telangana and Lakshadweep retail data is not available on VAHAN.

Source: VAHAN, CRISIL MI&A

By fiscal 2029, CRISIL MI&A projects the share of CNG variants to rise to 22-27% from the 15% share clocked in fiscal 2024. Healthy growth in CNG station infrastructure will primarily thrust the growth of CNG vehicle share. Amidst the government's push coupled with the support of City Gas Distribution- CGD players, completion of commitments under the CGD rounds is expected to pick up pace. Thus, CNG station infrastructure is projected to rise at a healthy pace till 2030.

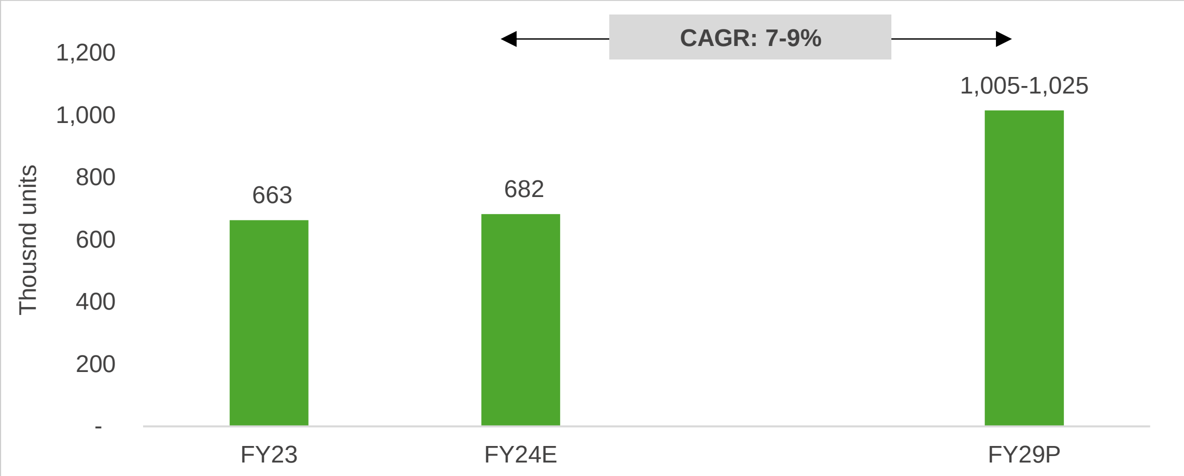
PV Exports Outlook for India

Passenger vehicle exports from India is expected grow at 3.1% in fiscal 2024 and at a CAGR of 7-9% between fiscals 2024 and 2029. Anticipated economic growth in key export regions along with push from OEMs will make India the base of exports for certain models, which in turn will boost exports. While the outlook for Middle East and Asia remains positive, the ongoing Iran-Israel conflict would remain a key monitorable. Any escalation of the conflict could push the oil and gas price alongside impacting the shipping through the Strait of Hormuz. Rise in crude oil prices could impact the fuel prices in export destinations thereby increasing the inflation pressure and impacting exports demand from India.

Few years back, India was major export hub for cars like hatchbacks and compact sedans. However, India has successfully transitioned to be a large car (Premium sedans and SUVs) exporter over the last 5-6 years. OEMs are actively broadening their portfolios to cater the changing consumer preferences in both domestic as well as global markets. SUV sales are accelerating exports and models like the Hyundai Creta, Maruti Suzuki Grand Vitara, Hyundai Venue, Toyota Urban Cruiser HyRyder, Maruti Suzuki Jimny, Maruti Suzuki Fronx, and Volkswagen Taigun have gained strong traction in the export markets. Further premium sedans like the Hyundai Verna and Volkswagen Virtus are key models driving the market for large cars.

Major OEMs in India are expanding their production capacities with an aim to make India as an export hub for Africa, Middle East, and Asia. Further, policies including PLI are offering a momentum to domestic OEMs for manufacturing and exporting EVs from India. Government offers incentives through PLI for entire EV ecosystem including automobiles, auto components and ACC batteries. Major OEMs in India have already announced plans to export EVs from India starting 2025-2026.

Outlook for exports (FY23-FY28P)



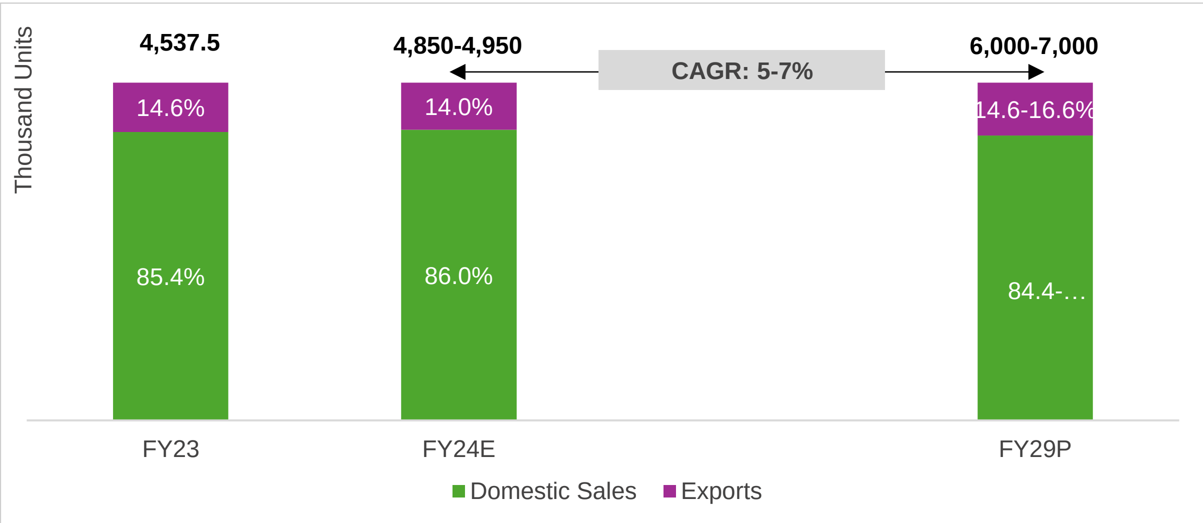
Source: CRISIL MI&A

India's economic relations with global economies through different trade agreements would enable Indian automotive companies to enhance the exports of automobiles and related components from the country. Recently India has established FTA with several nations including the UAE and Australia. India is also negotiating with the UK and the EU on establishing FTA. FTA agreements will offer immense potential to Indian OEMs, enabling them to tap into a broader customer base and establish as a key player in the global automotive industry. SUVs are gaining strong traction in the global markets and their exports are on the rise. This momentum is expected to continue this decade with SUVs crossing 40% share in exports and remain the fastest growing segment. Rising disposable income supported by lowering inflation growth rate in key export destinations like South Africa, Mexio and few others are expected to further aid the growth of SUVs, and overall exports.

Overall PV industry – Domestic Sales + Exports

Domestic sales, which formed 85.4% of overall industry in fiscal 2023, is expected to grow at 4.5-6.5% CAGR between fiscals 2024 and 2029P. Over the period, exports are forecast to grow at 7-9% CAGR reaching a share of 15.6% by fiscal 2029.

Overall PV industry by domestic sales and exports (FY23-FY29E)



Source: CRISIL MI&A

Estimated penetration of Electric PV segment wise by FY29

As it stands, the FAME-II subsidy is incentivised only towards commercial use. No benefits are provided to personal car owners.

In case of commercial applications such as cab aggregators, as of fiscal 2023, the total cost of acquisition (TOA) of an EV is 10% higher as compared with diesel, 19% with petrol and 12% with CNG. However, due to high annual running, the TCO for EVs is 14% lower when compared with diesel taxies and 18% when compared with petrol taxies and is almost at par with CNG cabs. However, due to heavy running of the vehicles, the TCO of EVs for cab aggregators is lower for EVs compared with diesel alternatives but higher than CNG alternatives even in fiscal 2023. By fiscal 2026, CRISIL MI&A Consulting expects the TCO for EVs to be lower than diesel alternatives and marginally lower than CNG. The lower battery cost is expected to offset the lack of FAME subsidy and will help maintain competitiveness of BEVs against diesel and CNG variants for cab aggregators.

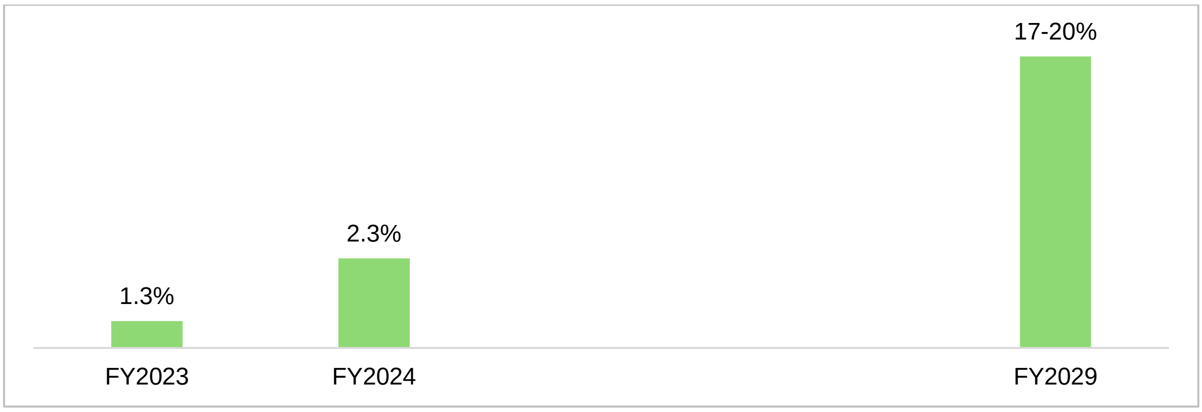
CRISIL MI&A Consulting believes the lack of charging infrastructure, range anxiety and lack of large OEM presence is hindering EV adoption in India. The taxi segment accounts for 10-15% of sales within passenger cars, Within the taxi segment, cab aggregators are expected to lead EV adoption, resulting in an estimated 25-31% adoption of EVs within this segment by fiscal 2027 (considering that adequate infrastructure is available by fiscal 2027).

The TOA and TCO of electric personal cars are still higher compared with the petrol alternative due to their lower running costs. Therefore, EVs are currently not a viable use-case. However, the gap is expected to shrink in fiscal 2029, driving EV adoption in personal usage segment. In addition, availability of charging infrastructure and range, especially for intercity travel, are likely to be key deciding factors for EV adoption in the personal car segment.

Hence, CRISIL MI&A Consulting expects the share of EVs in total passenger car sales to reach 12-14% in fiscal 2029. Penetration in fiscal 2023 was 1.2%.

EV penetration can be higher if the government adopts stricter policies on OEMs for not meeting CAFÉ norms. The exact quantum of EV penetration in an aggressive case depends on incentives given for adoption and setting up of charging infrastructure.

EV penetration outlook for passenger vehicles



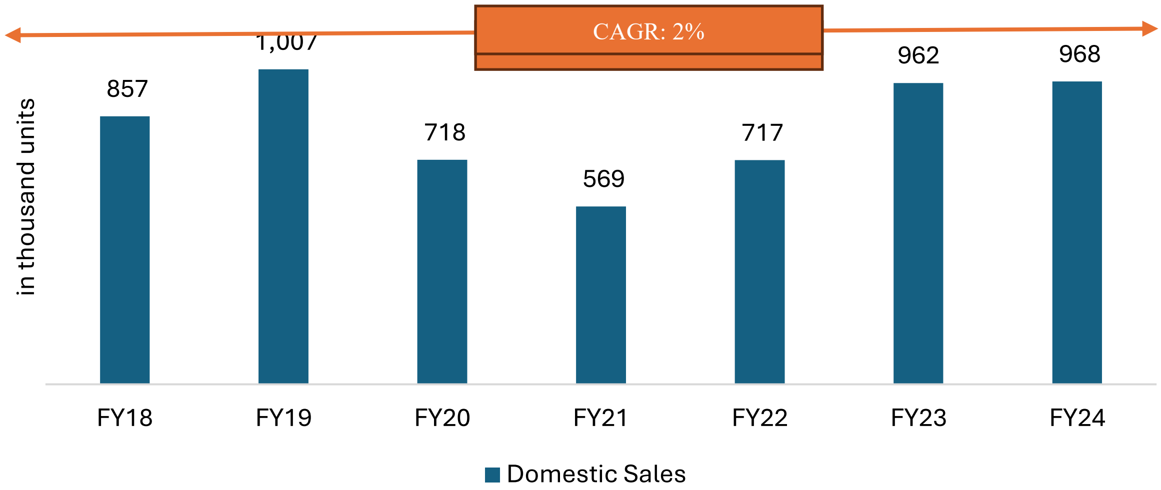
Source: CRISIL MI&A Consulting

Review and outlook of the Indian commercial vehicle industry

Review of Indian commercial vehicle industry

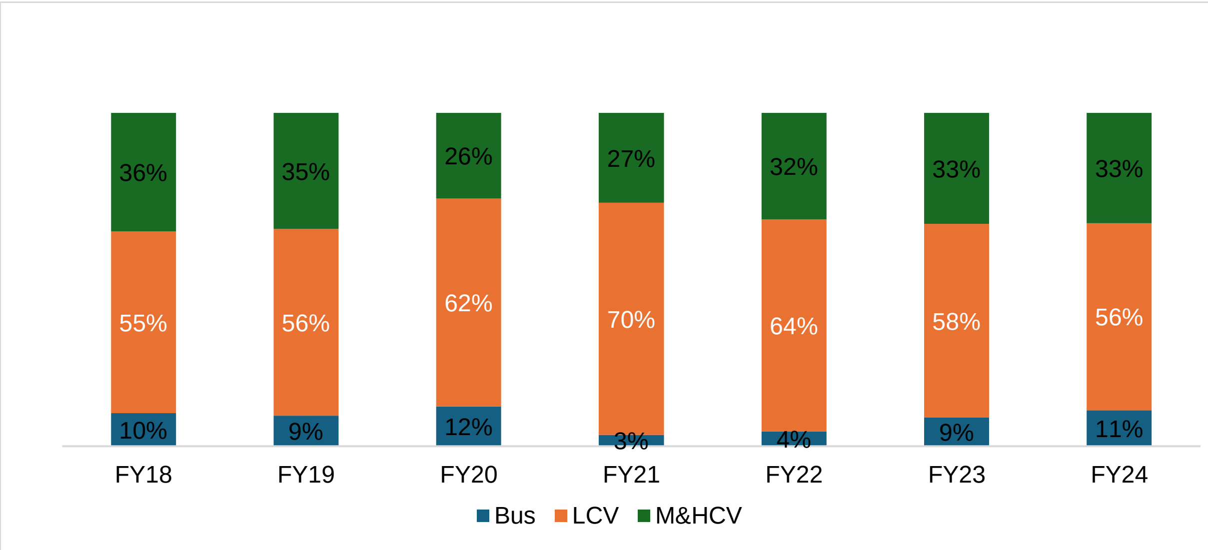
Between fiscals 2018 and 2024, domestic CV sales logged a CAGR of 2%. The CV industry exhibited a noteworthy recovery in fiscal year 2023, achieving a remarkable growth rate of 35%, albeit on a low base, and reaching 96% of the pre-pandemic levels observed in fiscal year 2019. This resurgence can be attributed to pent-up replacement demand, improved transporter profitability, and the pick-up in capex that had been hampered during the preceding 2-3 years due to economic stagnation and the disruptive impact of the pandemic.

Review of commercial vehicle industry



Source: SIAM, CRISIL MI&A

Segment-wise share in domestic sales (%)



Source: SIAM, CRISIL MI&A

Demand Drivers

Increasing freight rates to aid in materialization of deferred demand

Shift in fuel types of CVs to CNG

Stable agricultural output

Healthy industrial growth

Gati Shakti

Focus on infrastructure and higher mining production to bolster tipper demand

Capacity utilization and profitability of transporters

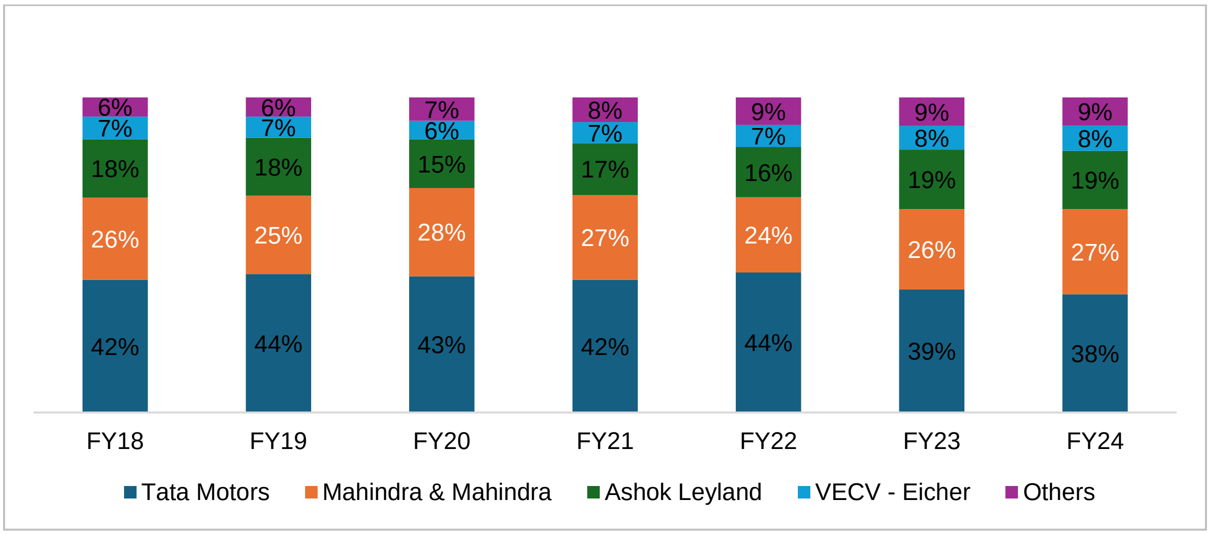
Replacement demand

Scrappage policy

Competitive Scenario

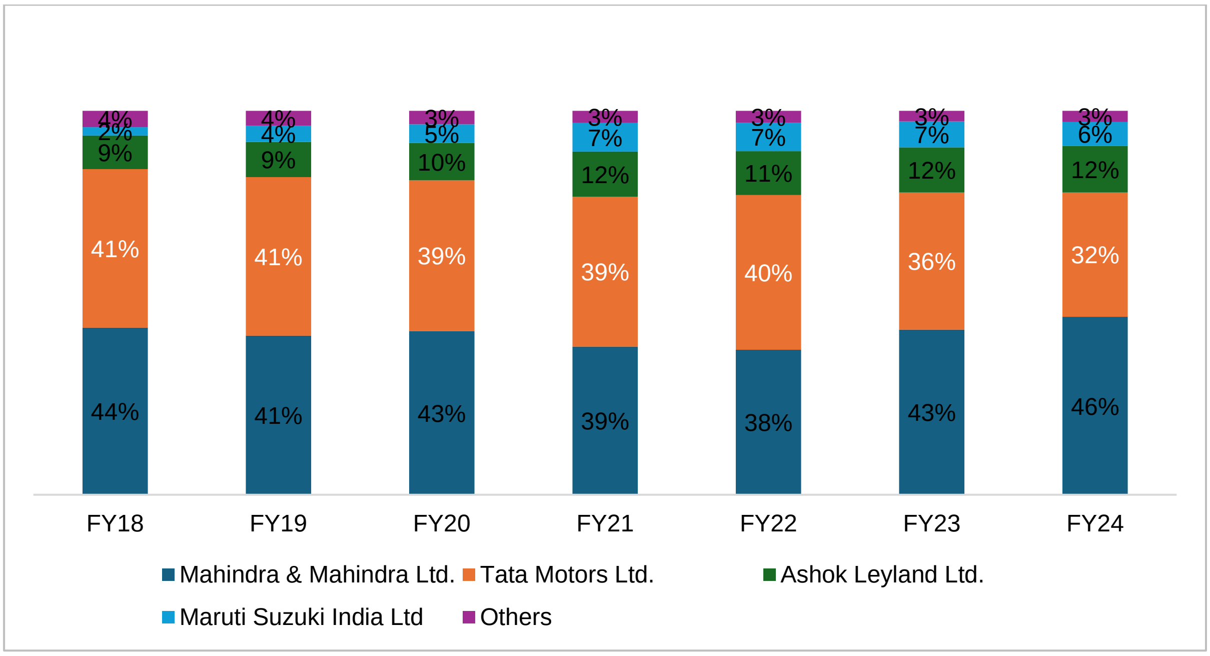
Tata Motors leads in the CVs segment in terms of market share, followed by Mahindra and Mahindra and Ashok Leyland (ALL). Over the years, from a high base, Tata Motors has lost some ground to Mahindra and VE Commercial Vehicles Ltd.

Overall CV industry split by market share across OEMs



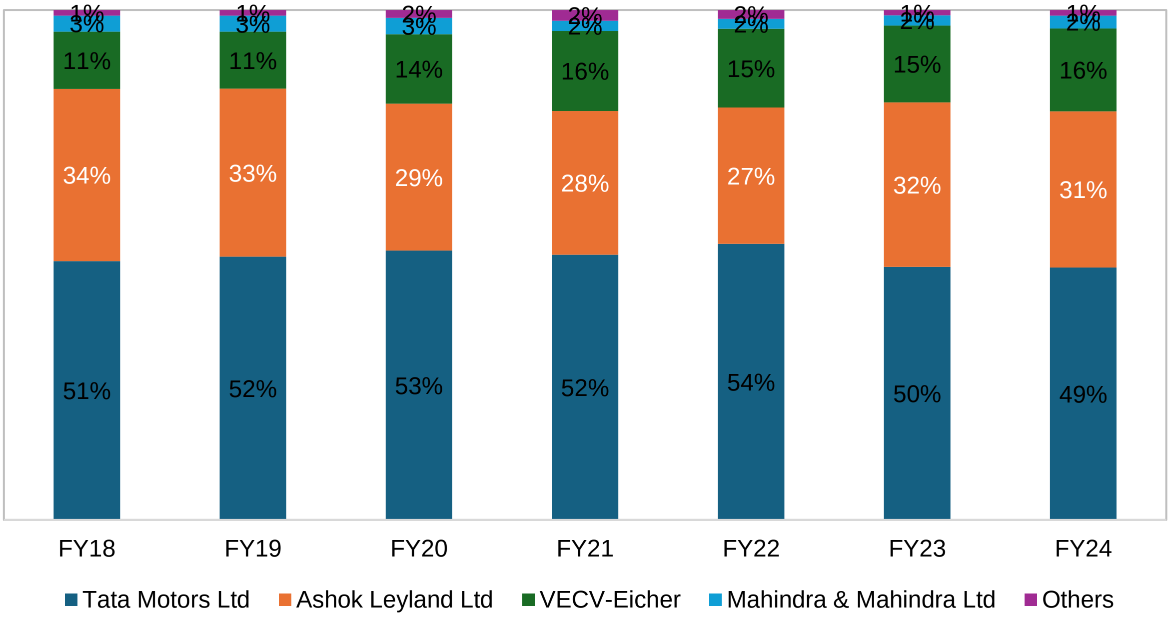
Note - Other players are Force Motors Ltd., Isuzu, JBM auto ltd, Maruti Suzuki Ltd, Olectra Greentech Limited, Piaggio Vehicles Pvt. Ltd., SML Isuzu Ltd., Swaraj Mazda Ltd., Toyota Kirloskar Motor Pvt Ltd., VEVCs – Volvo and Volvo Group India Pvt Ltd.
Source: SIAM, CRISIL MI&A

LCV Goods Segment split by market share across OEMs



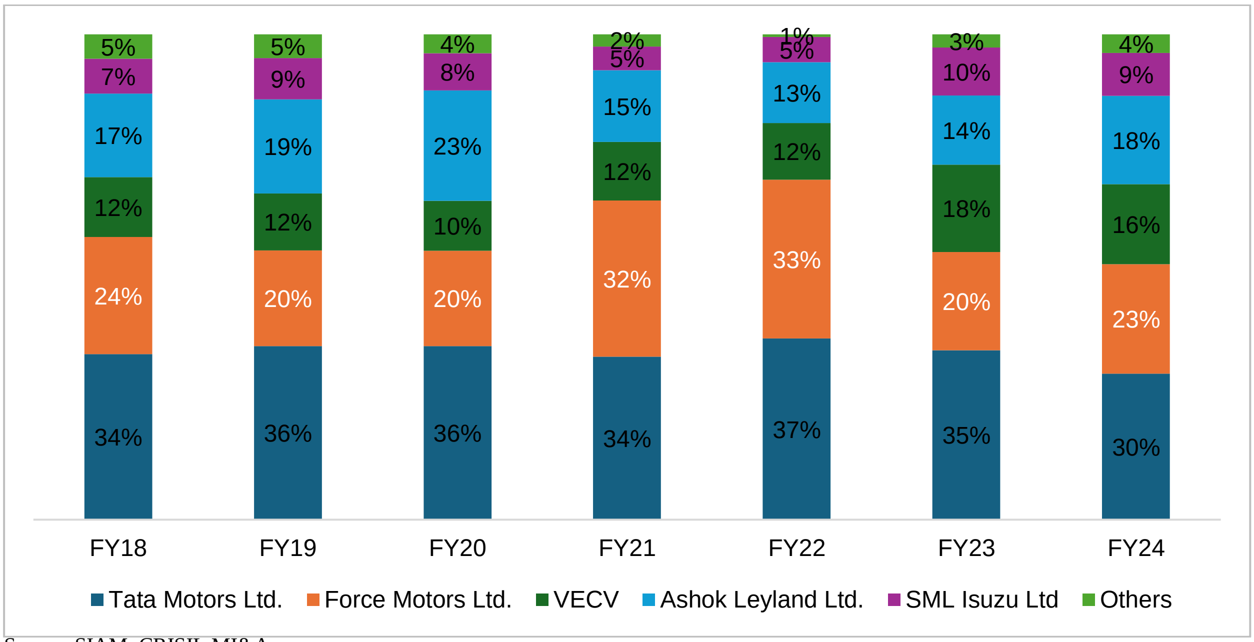
Note: Others include VECVs Eicher, Swaraj Mazda Ltd, Tata Motors, Force Motors Ltd, Isuzu, Toyota Kirloskar Motor Pvt Ltd and Piaggio Vehicles Pvt Ltd
Source: SIAM, CRISIL MI&A

MHCV Goods segment split by market share across OEMs



Source: SIAM, CRISIL MI&A

Bus segment split by market share across OEMs



Source: SIAM, CRISIL MI&A

Emerging Trends in CV ecosystem

Alternate fuels

Truck Aggregation

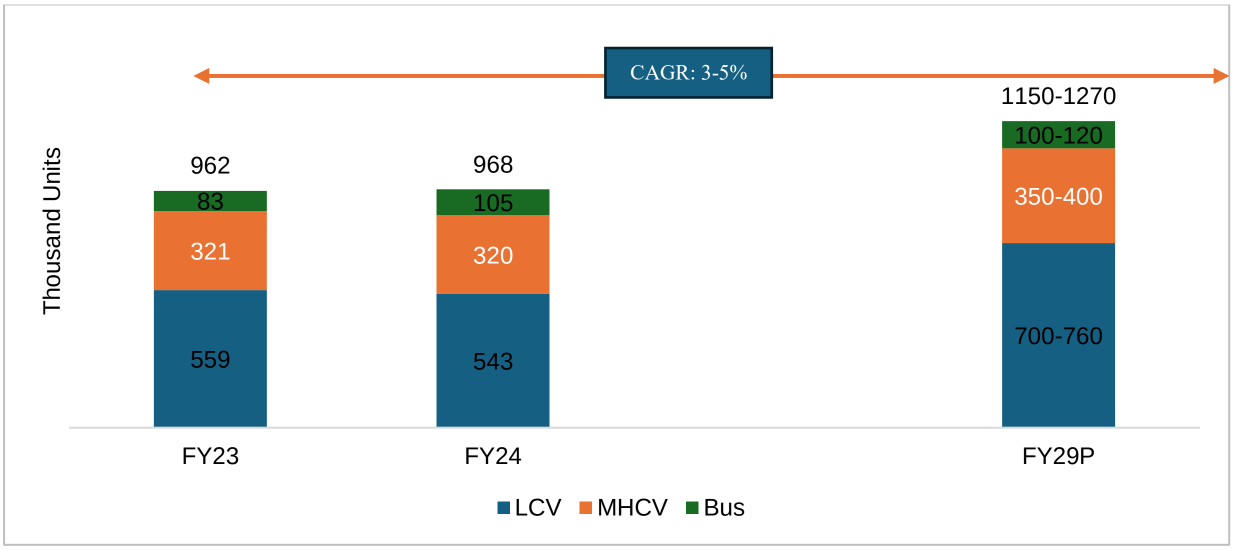
Telematics and connectivity

Commissioning of dedicated freight corridors (DFCs) to put brakes on road freight and hence CV sales

Outlook of Indian commercial vehicle industry

Over the long-term horizon, domestic CV sales are projected to record a 3-5% CAGR between fiscals 2024 and 2029, led by a 5-7% CAGR in the LCV segment, 2-4% CAGR in the M&HCV segment and 1-3% CAGR in the bus segment.

Commercial vehicle domestic sales outlook

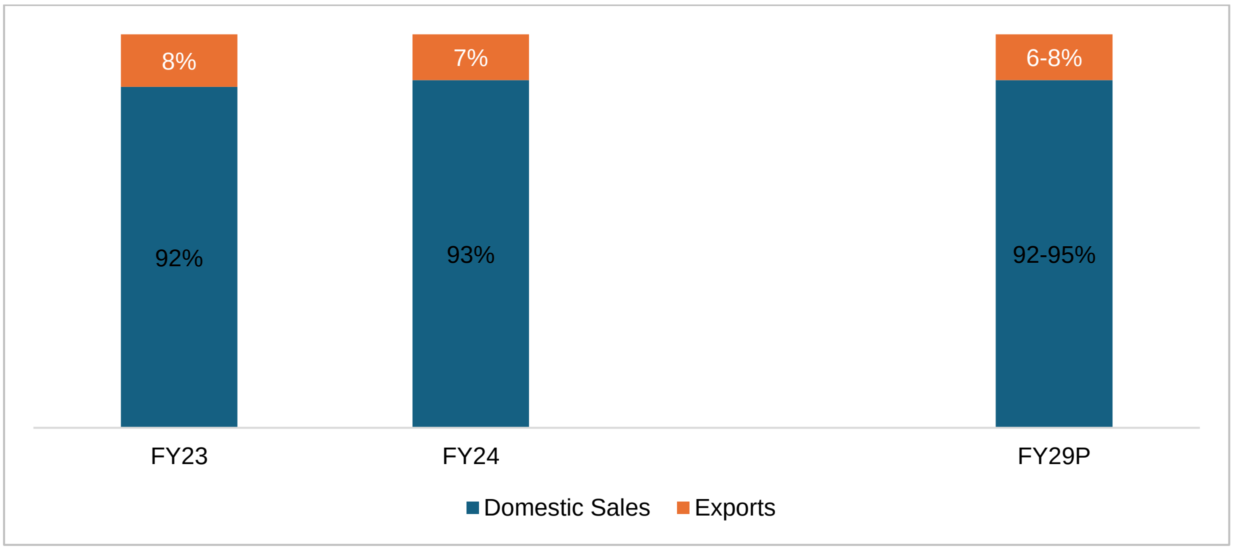


P: Projected; E: Estimated,
Source: SIAM, CRISIL MI&A

Split by domestic sales and exports

The Indian CV industry is expected to remain domestic-focused, with domestic sales comprising ~93% share of production even in fiscal 2029. However, with exports projected to grow at 5-7% CAGR between the fiscal periods 2024 to 2029, their contribution to overall production is likely to remain flat.

CV industry split into domestic sales and exports



Note: P - Projected
Source: SIAM, CRISIL MI&A

CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3-5% between fiscals 2024 and 2029 aided by healthy industrial growth, focus on infrastructure and higher mining production. CV sales has plummeted ~29% in fiscal 2020 and further by ~21% in fiscal 2021. The fall in sales had created a low base over which volumes have witnessed growth of ~26% in fiscal 2022. In the last three years (FY2020-FY2023), the industry demonstrated a strong CAGR of 10%. The rise in tonnage addition is expected to be driven by an improved product mix, with a notable surge in demand for Multi-Axle Vehicles (MAV) and T-Trailer despite a shift to lower tonnage vehicles due to axle norm regulations.

End-use sector outlook (between fiscals 2024 and 2028P)

Key end-use segments and outlook		
Sectors	**Growth outlook (FY24-FY28)**	**Key aspects**
Coal	5-6%	Growth in coal-based power generation Demand from allied sectors such as cement and sponge iron
Steel	6-7%	Building and construction, the major demand creator in this segment Demand to be driven by rural housing / affordable housing and commercialization of Tier III/IV cities. Infrastructure demand also plays an important factor according to National Infrastructure Pipeline (NIP)
Cement	5-6%	
Port movement	2-5%	Iron ore exports to support growth, as global demand for steel improves. POL trade (imports) particularly in LPG poised to go up
Road investment	8-12%	NIP to drive infrastructure investments on roads and highways. CRISIL MI&A expects the Govt. of India (GoI) to be able to achieve 80-85% of its targeted investments
E-commerce	20-25%	Food, fashion and grocery segments grow at a faster rate as penetration improves. E-retailers to focus on expansion in Tier I/II cities over this period

Source: CRISIL MI&A

Medium and Heavy Commercial Vehicles Set to Thrive in the Coming Five Years

The MHCV industry is expected to grow significantly, with a compound annual growth rate (CAGR) of approximately 2-4% projected from fiscal year 2024 to fiscal year 2029.

Long-term MHCV sales are likely to be driven by several factors, including the country's improving industrial activity, consistent agricultural output, and the government's continued emphasis on infrastructure development. However, volume growth may be limited due to efficiencies gained from the implementation of the Goods and Services Tax (GST), the development of improved road infrastructure, and the commissioning of the dedicated goods corridor (DFC). Nonetheless, the industry remains on a promising growth trajectory in the coming years.

Over the next five years (fiscal 2024-2029), industry GVA is expected to be robust, driven by the government's emphasis on "Make in India." Furthermore, infrastructure improvements and higher-than-expected corporate spending are expected to support the capex cycle after fiscal 2024.

LCV sales to grow at a modest pace in the long run.

Light commercial vehicle (LCV) demand is expected to grow at a 5-7% CAGR from fiscal 2024 to fiscal 2029, owing to increased private consumption, lower penetration, increased availability of redistribution goods, and improved financing. The industry grew at a 4% CAGR between fiscal 2018 and 2024.

Upper-end light commercial vehicles (ULCVs) provide lower returns to the transporter than ICVs and are best suited for captive use. Entry restrictions on ICV trucks and higher tonnage MHCVs are expected to keep demand from this segment buoyant. However, the higher toll on ULCV trucks versus pickups will limit segment growth.

SCV segment now offers a diverse range of products in various tonnages that cater to the needs of all types of customers. To fill tonnage gaps, players have launched a slew of new products, particularly in the last five years. In addition, the availability of CNG options is expected to keep volumes in this segment stable.

Bus demand is to witness strong growth over the next five years.

Domestic bus sales are expected to grow at a CAGR of 1-3% between fiscal years 2024 and 2029. Increased demand for inter-city/state travel, aided by improved road infrastructure, and higher personal disposable incomes will drive growth. The unregulated segment, which primarily serves demand from schools, businesses, and intercity travel by private operators, will continue to be the largest end-user. However, the implementation of metro-rail and monorail in several cities would have an impact on future bus sales growth. In terms of penetration (buses per 1,000 people), India ranks last among the countries studied, with 1 bus per 1,000 people and a 35% urbanization rate. These calls may have an upside if the scrappage policy is enforced, as well as increased urbanization and replacement of JNURM buses purchased between FY10 and FY13.

Electrification in passenger vehicles (buses)

EV bus registrations skyrocketed in the last 3 years backed by adoption by STU as well as government incentives. During fiscal 2019-2023 period, EV bus registration increased at a breakneck pace of 133% CAGR with more than 600% on year growth clocked in fiscal 2020. EV penetration was insignificant till fiscal 2019, it gained some pace during fiscal 2020 and received a real boost during fiscal 2022 to reach more than 1,100 units and reached 3.7% of overall registrations. Growth momentum continued in fiscal 2023 with y-o-y growth of 61% reaching more than 1,900 units.

Due to the government support through FAME and focus on quicker adoption of EVs in public transport, there has been a significant increase in electric bus sales in the last couple of years. Operational profiles of buses with fixed routes and regular stops make them suitable for charging at pre-determined intervals and specific locations. However, sales of electric buses are unlikely to meet the target in fiscal 2021 due to the pandemic and hence we expect the subsidy amount to get carried over to the coming years.

The price of an electric bus is electric bus is considerably higher than the cost of a bus running on diesel. Thus, subsidy would be a key driving factor that would drive EV adoption in STU buses. We expect a large part of the STU intra city buses to be electric by fiscal 2028. However other segments are unlikely to see a meaningful penetration of electric buses owing to their high cost of acquisition and limited range limiting their ability for intercity travel.

CRISIL expects FAME subsidies to be extended for buses as the policy period ends in fiscal 2024. With other incentives from the central and state governments, the sales of electric bus penetration is expected to reach 18%-22% by fiscal 2029.

Electrification in LCV goods vehicles

Currently, most of the EVs used in the commercial segment as goods carries are three-wheelers. However, as the cost differential between electric and diesel vehicles start reducing, we expect new models to be launched. This will drive sales in the segment as the third-mile logistics and local distribution of goods are well suited applications for EVs. Tata Ace EV is the only e-SCV currently in the market.

Consequently, as depicted in the chart above, EV sales in the LCV goods segment can rise to 81,000-82,000 vehicles by fiscal 2028. This would be about 12-13% of the total LCV goods vehicle market, as CNG offers better TCO in near future and will be preferred over electric variants. Further EV penetration is expected to grow and reach 12-16% by fiscal 2029.

Electrification in HCV goods vehicles

EV adoption in the HCV segment is expected to be negligible in the near future as operational profile makes them highly expensive. Further, the current charging infrastructure is not suitable for larger HCV batteries, which will make electric adoption unviable for some time.

Policies driving the adoption of EVs.

The Government of India and several state governments together has introduced a set of fiscal and non-fiscal incentives to support the adoption of electric mobility. These incentives include tax breaks, subsidies, and lower registration chargers through multiple policies to promote demand. To strengthen the manufacturing ecosystem, various policies have been launched to strengthen the component and charging infrastructure.

Government subsidies to drive Electric Vehicle (EV) adoption by STU buses

The Government has been stepping up efforts in promoting electric mass mobility through FAME-II scheme. It has identified STU buses as one of the key vehicle segments that should adopt electrification. Further policies like PM eBus Sewa schemes aims to further incentivize the electrification of public transport.

FAME I and FAME II

As part of the National Electric Mobility Mission Plan (NEMMP) 2020, the Department of Heavy Industry (DHI) introduced the FAME scheme in 2015. The FAME scheme aims to promote the manufacturing of electric vehicle technology and ensure the sustainable growth of the ecosystem.

During Phase-I, it focused on creating demand for electric vehicles through incentives and grants for various vehicle segments, resulting in about 2.78 lakh supported EVs via demand incentives. FAME II scheme, approved with an outlay of INR 10,000 Crore, aims to support demand for EVs by supporting 7,000 e-Buses, 5 lakh e-3 Wheelers, 55,000 e-4 Wheeler (Commercial purposes) and 10 lakh 2W EV (including commercial and private).

FAME-II subsidy for buses and LCV dependent on battery size

Under the FAME-II incentive, the Government will provide subsidy amounting to Rs. 20,000 per kWh of battery used in an electric bus. The batteries used in such buses needs to be 'advanced batteries' with specific energy density of at least 70Wh/kg and cycle life of at least 1000 cycles. The total demand subsidy under FAME-II scheme is Rs. ~9000 crore, a portion of which would go to buses.

For electric SCVs, government will provide subsidy amounting to Rs. 10,000 per kWh of battery used in a commercial vehicle. It also mandates a minimum range of ~140 km and maximum ex-factory price of ~Rs. 15 lakhs.

FAME-II demand incentive only via OPEX model

A demand incentive would be provided for buses only sold under the Public Private Partnership in Operation and Maintenance of Electric Buses (OPEX) model. In the OPEX model, the OEM takes the risk of operating the electric bus and gets a pre-decided revenue per km running of the bus. The benefit of this model is that there is no upfront cost to the STU as the bus is owned by the OEM or generally an OEM backed transport firm. This also reduces the risk of technology obsolescence for the STU.

Many state governments are providing incentives to purchase an electric vehicle where the benefit provided is in addition to FAME-2 policy benefits.

- Maharashtra's EV policy aims to achieve at least BEVs to contribute to 10% of new vehicle registrations by 2025, 10% electric 2-wheelers by 2025, 20% electric 3-wheelers by 2025, 5% electric 4-wheelers by 2025, 15% electric buses by 2025, 25% electric fleet operators by 2025. Maharashtra provides strong demand incentives of INR 5,000/kWh up to INR 1,50,000 for the first 10,000 electric 4-wheelers cars, INR 5,000/kWh up to INR 1,00,000 for the first 10,000 electric 4-wheelers goods carrier and 10% of the ex-factory cost up to INR 20,00,000 for the first 1000 e-buses.
- Gujarat has announced an EV policy that would provide purchase incentives of Rs. 10,000/kwh subject to a maximum of up to Rs 6 lakh/vehicle for the first 20,000 electric four wheelers. The policy will remain valid till 2025.
- Odisha has announced a subsidy of 10% up to INR 20 lakhs for e-buses and incentive of Rs. 30,000 for the first 5000 electric goods carriers.
- Delhi has announced an EV policy that would provide purchase incentives of purchase incentive of Rs. 30,000 for the first 10,000 e-carriers and interest subvention of 5% on loans and/or hire purchase scheme for the purchase.
- Manipur is providing an incentive of Rs. 4,000/kwh for the first 30 electric buses. The policy also provides 100% exemption on road tax till 2026.

TCO assessment

A comparison of TCO of various CV types will provide a view as to how much a vehicle costs to own and operate over a period. Commercial operation of any vehicle will be viable only if the cost of operating it is below the revenue earned. A vehicle with a significantly higher cost of operation will not be viable due to competition from other vehicle categories and varying powertrains.

TCO between fiscals 2024 and 2029P for sub-segments LCV and Bus:

LCV (Sub 1 ton category)
CNG is the cheapest alternative powertrain, in the current scenario, due to the excessively high initial cost of electric LCVs. In the case of LCVs (at Delhi prices), the operating cost of an EV is 5% higher than that of a comparable diesel vehicle.

However, the operating cost of an EV is 14% higher than that of a comparable CNG vehicle, due to which the break-even period of an EV compared with a CNG vehicle is relatively higher.

As regards the cost of ownership, while EVs may be able to match the cost of diesel LCVs by fiscal 2032, they will still be considerably costlier than CNG LCVs.

TCO analysis for LCV – without subsidy

	FY24				FY29		
TCO period (years)	**4 years**	**6 years**	**8 years**	**TCO period (years)**	**4 years**	**6 years**	**8 years**
Diesel	23.1	22.5	22.1	**Diesel**	28.3	27.5	27.1
CNG	21.2	20.5	20.1	**CNG**	26.4	25.6	25.1
Electric	24.2	23.0	22.3	**Electric**	27.9	26.7	26.0

Note: Numbers denote TCO in Rs per km, TCO period units in years, this is for Tata ACE vehicle without subsidy

Bus

The cost of ownership of an electric bus is in the range of a standard diesel bus over the long term. Commercial operation of any vehicle will be viable only if the cost of operating it is below the revenue earned. A vehicle with a significantly higher cost of operation will not be viable due to competition from other vehicle categories and varying powertrains.

The cost of ownership of an electric bus is like that of a standard diesel bus. In the bus segment, owing to the excessively high battery cost, there is a 4-5x difference in the initial purchase cost of a diesel/CNG bus and an electric bus. Because of this large differential, the gap in the break-even period between electric and diesel powertrains is more than 20 years despite a 30-35% lower operating cost for EVs. Hence, we believe capital subsidy would be needed to make electric buses viable by fiscal 2029, which, in turn, may limit their penetration to the public transport (STU) segment.

TCO analysis for MCV buses – without subsidy

	FY24				FY29		
TCO period (years)	**8 years**	**10 years**	**12 years**	**TCO period (years)**	**8 years**	**10 years**	**12 years**
Diesel	43.0	41.9	41.0	**Diesel**	47.4	46.0	45.0
CNG	36.2	34.9	34.0	**CNG**	40.7	39.2	38.0
Electric	48.6	46.2	44.3	**Electric**	46.3	44.0	42.3

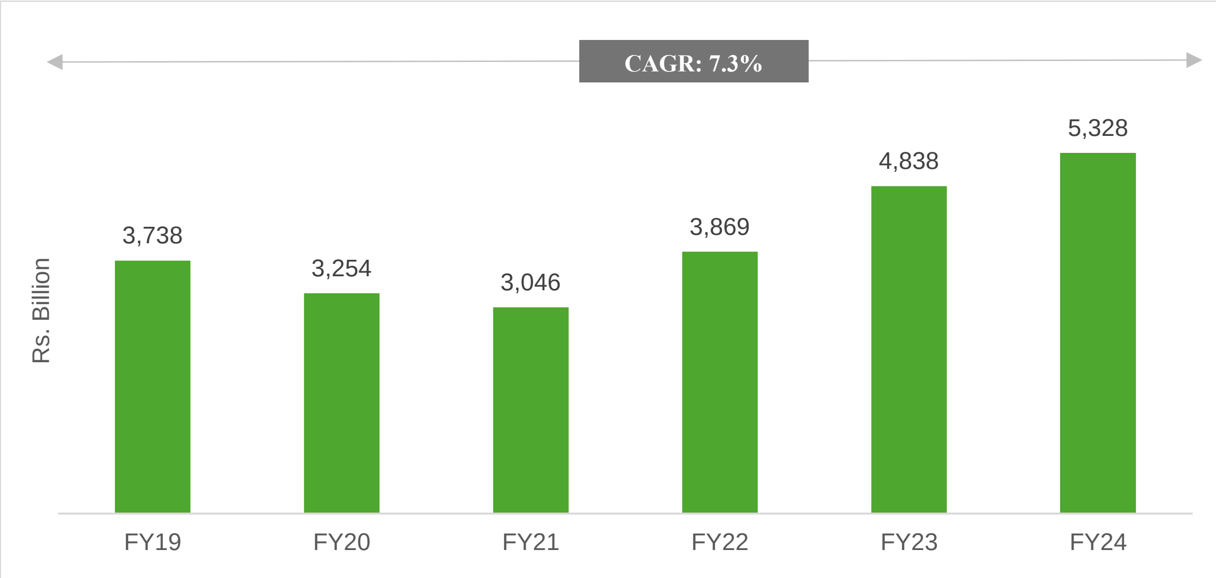
Note: Numbers denote TCO in Rs per km, TCO period units in years, For 12m bus without subsidy

Review and outlook of Indian automotive and non-motive components industry

Review of Indian auto components industry (fiscal 2019 to 2024)

Auto component production (which includes sales to OEMs, exports, and the replacement market) has increased at a CAGR of ~7.3% to Rs 5,328 billion in fiscal 2024 from Rs 3,738 billion in fiscal 2019. While domestic sales are more volatile due to various factors like regulations, fuel prices, economic cycles, etc. that impact the short-term demand, exports and aftermarket help buffer the overall auto-component production growth from similar fluctuations.

Domestic production of auto components (FY19-24)



Source: CRISIL MI&A

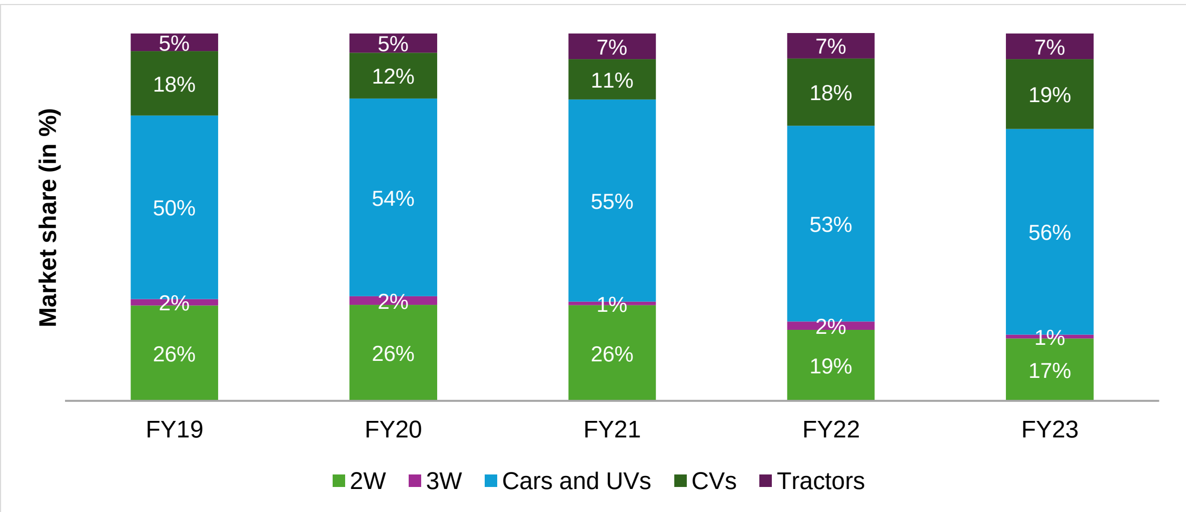
Auto component production revenue increased at 7.3% CAGR between fiscal 2019-2024 was aided by recovery in economy, buoyant demand from OEM and replacement market as well as increase in exports. CRISIL estimates domestic auto-component production revenue to increase by 8-10% in fiscal 2025.

Production of automotive components depends on consumption by different end-user segments: original equipment manufacturers (OEM), exports and the replacement market. OEM demand can be further segregated based on various vehicle segments. In fiscal 2024, OEMs accounted for almost 63% of auto-component production by value. Among OEMs, cars and utility vehicle manufacturers remain the largest consumers.

Automotive component players are prone to risk due to the dependence on a few select clients or vehicle category and are highly dependent on demand from the OEMs.

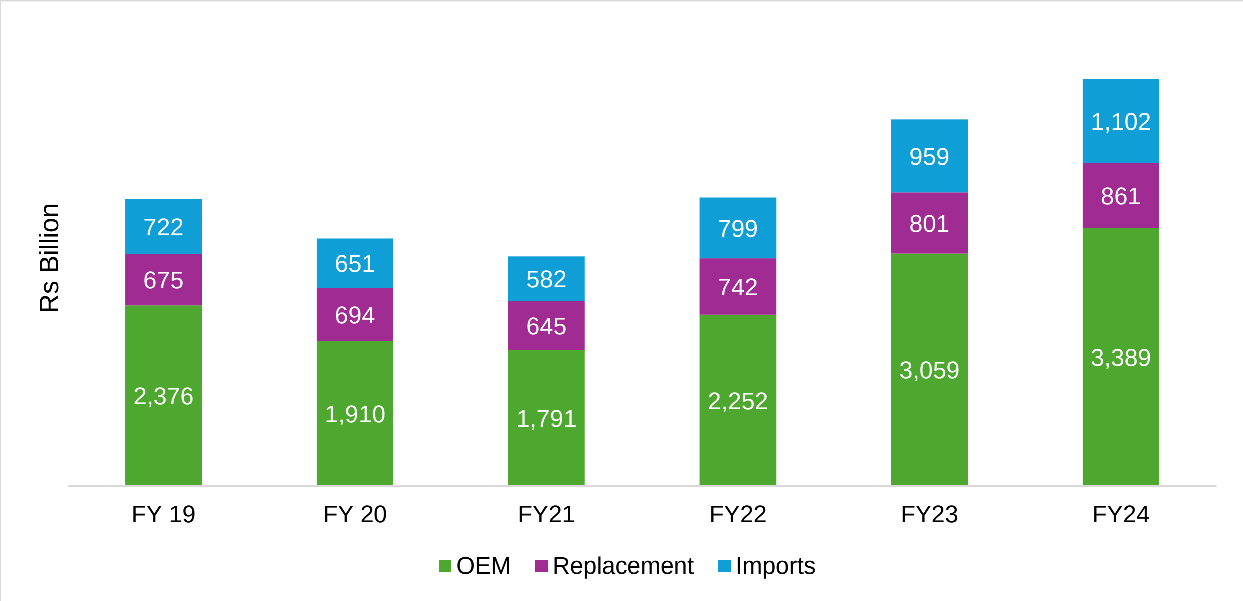
The domestic auto components industry largely consists of small and medium enterprises. The industry is composed of 780+ organized players and 5,800 unorganized players. In terms of revenue, however, the organized segment dominates the industry. Auto Component Manufacturers Association (ACMA) members represent 85% of the overall industry turnover. Over the past few years, more and more auto component companies have been registering as members of the ACMA.

Review of Auto component production segment by vehicle category



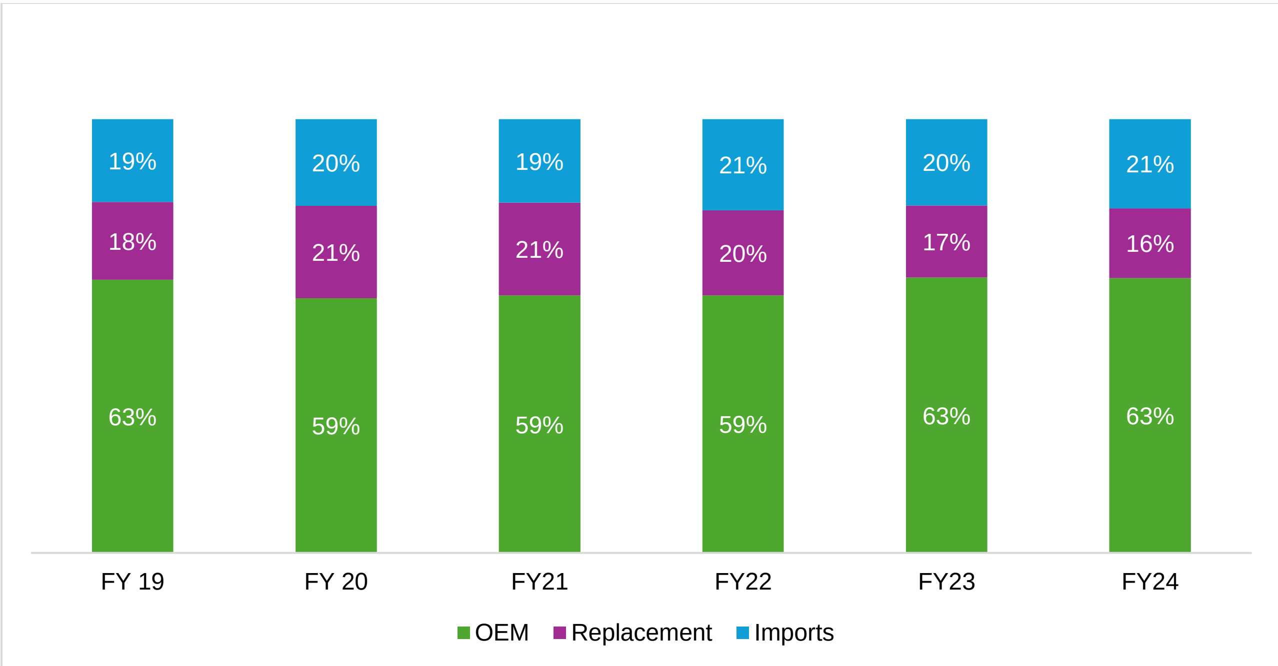
Source: SIAM, CRISIL MI&A

Trend in domestic consumption of automotive components (FY19-24)



Source: CRISIL MI&A

Review of Auto component consumption segment



Source: CRISIL MI&A

In fiscal 2024, replacement segment is expected to clock 6-8% growth supported by the economic growth. In fiscal 2023, replacement demand growth was on the back of healthy OEM demand witnessed between fiscals 2017 and 2019. Assuming a two to three years of lifespan of automotive components, pent-up demand from fiscal 2020 and 2021 is likely to have translated into replacement opportunity in fiscals 2022 and 2023. Additionally, demand in the replacement market is expected to grow due to an increase in penetration of cab aggregator services in the overall stock of passenger vehicles in the medium term.

Auto component production revenue has surpassed the levels witnessed in FY19, wherein the industry reported a robust growth across all segments. Passenger vehicles, commercial vehicles and tractors are seen surpassing pre-

Covid levels of production in fiscal 2023 while 2W, 3W will recover from slump in fiscals 2021 and 2022, albeit still below pre-Covid levels. Healthy demand from OEMs will drive auto-component demand followed by replacement and export markets.

Outbreak of second wave of COVID in the domestic market since April 2021 and the resultant state-wide lockdown impacted industry's revenues in Q1 of fiscal 2022. Post unlocks, some recovery was seen in the industry in H2 fiscal 2022. The growth in fiscal 2022 was aided by recovery in economy, buoyant demand from key export destinations like North America and Europe and increased demand from replacement market led by pent-up demand. CRISIL MI&A estimates that production revenue increased 27% in fiscal 2022.

In fiscal 2024, imports increased by ~15% on year growth. Fiscal 2022 saw big spike of 37% in imports on lower base of FY21. In fiscal 2021, imports declined by ~11% owing to subdued demand from OEMs and aftermarket amid the pandemic. Besides, the domestic auto component manufacturers also operated at below-normal utilization levels in the first half owing to subdued demand and nationwide lockdown.

Review of exports of auto components (fiscal 2019 to 2024)

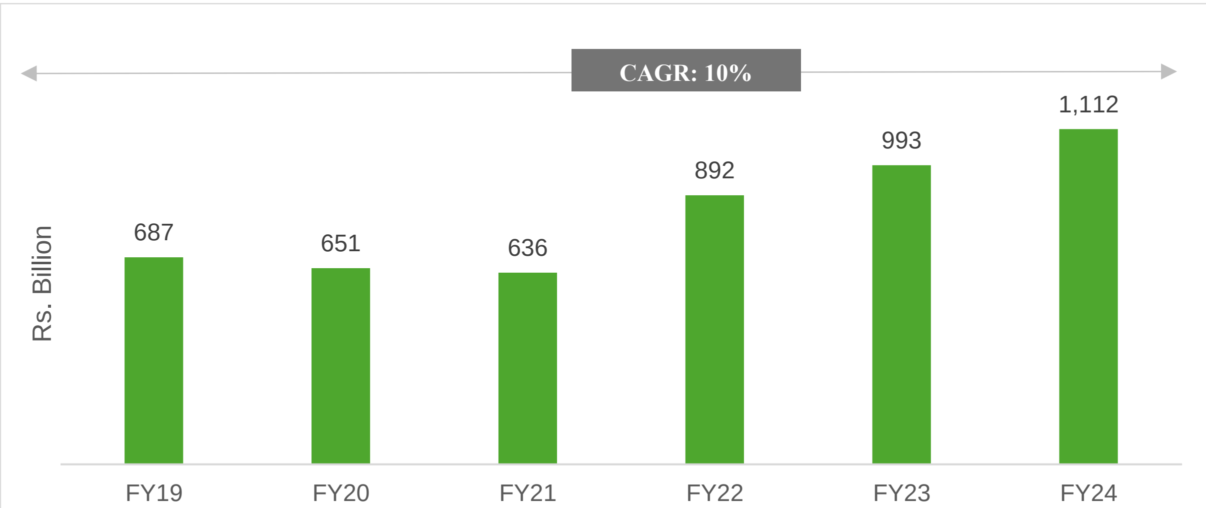
Auto component exports witnessed a strong growth at 10% CAGR during fiscal 2019-2024 period. Even during fiscal 2017-2020 period, exports witnessed a healthy growth at 11% CAGR. Fiscal 2021 witnessed a contraction amidst the pandemic and the restrictions.

Auto component exports accounts for 21% of the overall demand in FY24 and is projected to record a 7-9% on year growth in fiscal 2025 post expected growth of 11-13% in fiscal 2024. The growth would be on the back of demand from North America and Europe which together contributed ~45-50% to the export demand during April-Jan fiscal 2024. Export revenues are also expected to be supported by increased global demand and China +1 strategy. However, rising inflation and global economic slowdown remains key monitorable.

Exports witnessed growth in fiscal 2024 despite higher base of fiscal 2022. Demand from North America surged by 19% whereas Europe witnessed modest growth of 3% on-year during fiscal 2023 over a high base. From April to May 2024, demand form North America and Europe grew by 8% and 21% respectively.

India's top exports destinations are United States (27.8% of total exports), Germany (6.9%), Turkey (5.4%), Brazil (3.7%). Export demand has shown strong recovery post unlock. However, demand from Europe has been under pressure due to recessionary fears and global slowdown.

Review of exports of auto components (FY19-24)



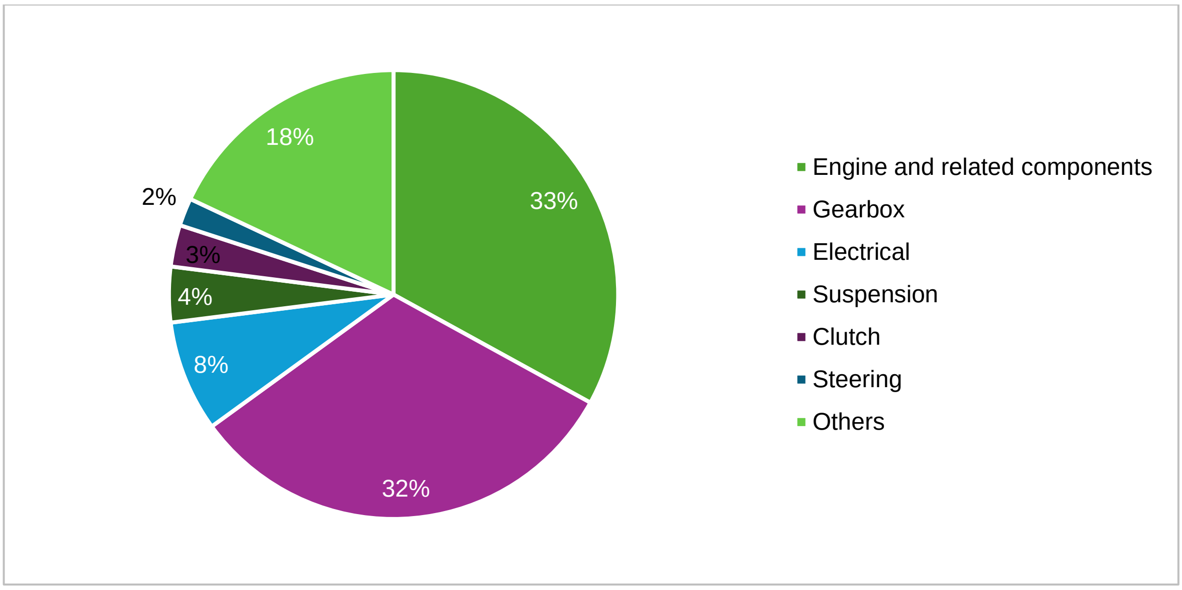
Source: CRISIL MI&A

Segment-wise major auto component categories in value terms

Major auto component from the revenue share is Engine component followed by suspension and breaking, drive transmission and steering etc.

Critical components, such as engine parts, drive transmission and steering, and electrical, are technologically more complex compared with lower-margin components, which were earlier the preserve of Indian players. They offer higher margins to manufacturers, but require greater investment in research and development, as well as high-precision engineering to adhere to the stringent quality standards of global OEMs.

Segment wise production break-up (FY24)



Source: Automotive Component Manufacturers Association (ACMA), CRISIL MI&A

Growth drivers for Indian auto component industry

Demand side factors:

Vehicle production: Passenger vehicles, commercial vehicles and tractors are seen surpassing pre-Covid levels of production in fiscal 2023 while 2W, 3W will recover from slump in fiscals 2021 and 2022, albeit still below pre-Covid levels. Healthy demand from OEMs has been driving auto-component demand followed by replacement and export markets.

CRISIL MI&A expects almost all vehicle segments to log robust production growth over fiscals 2024-29. Production of 2Ws, 3Ws, PVs and CVs are projected to grow at a CAGR of 7-9%, 10-12%%, 5-7% and 3-4%, respectively, over the forecast period.

Key macroeconomic trends are also likely to support demand for 2Ws, 3Ws, and PVs over the medium to long term. CRISIL MI&A expects urbanisation to reach 37-38% by fiscal 2027 from ~35% in 2020. India's per capita income is also projected to log a 6-7% CAGR over fiscals 2022-27. These factors are likely to drive premiumisation across vehicle segments.

Rising Per capita income: In fiscal 2021, per capita income declined 8.9% owing to GDP contraction amid the pandemic's impact. On the lower base of fiscal 2021, per capita income rose 7.6% in fiscal 2022. However, per capita income is forecast to decline in line with GDP projection. According to the International Monetary Fund's estimates, India's per capita income (at current prices) is expected to increase at a 7.6% CAGR over CY 2023-28.

Investment in Infrastructure: Infrastructure improvements are expected to support automobile demand on account of employment generation, and improved accessibility and mobility.

Supply side Factors:

- India has a cost advantage in auto component production since it has cheap labour costs, is the world's second-largest producer of steel, and is close to important automotive markets. This makes it an ideal location for businesses to source vehicle components.

- India exports a significant amount of car components, which is likely to increase in the future years. India excels at manufacturing particular types of vehicle components, such as shafts, bearings, and fasteners, giving it a competitive advantage over other countries.
- The industry has been continuously upping its quality standards and developing new products to compete globally. Trade liberalisation in western markets has led to the emergence of Asia as an export hub for Europe, and North and South America over the past decade. With supply-chain realignment, several countries (including India) are likely to emerge as global outsourcing hubs in the coming years.
- Many domestic manufacturers have successfully entered strategic alliances/collaborations, while others are actively testing the waters. Many of the world's leading Tier 1 suppliers have set up manufacturing facilities in India, including Bosch, Delphi, Visteon, and Denso. Additionally, some suppliers already meet global technical and quality standards at the Tier 1 level. Some of India's leading OEM suppliers include TACO, Bharat Forge, Sundaram Clayton, and Sundaram Brake Linings.
- 2W automakers are introducing new models more frequently ever than before. This will also drive growth of the auto component industry as changes in the process of manufacturing and designing will support the pricing power of component manufacturers.

Policy support:

- PLI schemes on automobiles and auto components are estimated to generate a capex of Rs. 74,850 crore (US$ 9.58 billion) over the next five years. Under the automated route, 100% FDI is permitted in the auto components business. The Bharat New Car Assessment Programme (BNCAP) will not only enhance the auto component value chain, but it will also push the production of cutting-edge components, inspire innovation, and nurture global excellence.
- 115 companies applied for the Rs 25,938 crore Production Linked Incentive (PLI) scheme for the automotive and the auto component sector and 75 companies have been approved for the Component Champion Incentive scheme. Incentives are applicable for vehicles and auto components manufactured in India from 1st April 2022 onwards for a period of 5 consecutive years. The proposed incentives for original equipment manufacturers range from 13% to 18% of determined (incremental) sales value, while those for component manufacturers vary from 8% to 13%.
- As FAME Scheme concluded on March 31, 2024, The Government of India's Automotive Mission Plan (AMP) 2006-26 has been critical in assuring the sector's growth.
- EMPS 2024 (Electric Mobility Promotion Scheme) - introduced by Ministry of Heavy Industries with a total outlay of Rs. 500 crore for 4 months, w.e.f. 1st April 2024 till 31st July 2024, for faster adoption of 2W EV and three-wheeler (e-3W) to provide further impetus to the green mobility and development of electric vehicle (EV) manufacturing eco-system.

Electrification:

The government has reaffirmed its support for EVs and its goal of achieving 30% electric transportation by 2030. Customs duty exemptions on the import of capital goods and machinery essential for the manufacture of lithium-ion batteries, which commonly power EVs, were announced in the budget.

EV adoption in India over the next five years is expected to be largely driven by the two and three-wheeler segments. 2W EV are seen to have lower cost of ownership and acquisition compared with ICE scooters which account for over 30% of the two-wheeler industry. This segment is expected to be the first one to migrate to the electric platform. Electric three-wheelers also have a lower cost of ownership and acquisition compared to their CNG and diesel counterparts.

Growing electronics content per vehicle:

The use of semiconductors in automobiles has increased manifolds in the past couple of years. Semi-conductors find their use in engine control units, power steering, airbags, reverse parking assist, smart keys, telematics, in-car entertainment, and other applications inside an automobile. Among vehicle segments, the intensity of use of semiconductors is higher for passenger vehicles (especially high-end models) and moderate for commercial vehicles while lesser for two-wheelers (except premium motorcycles) and tractors as there are fewer electronics used.

Critical component mix is increasing in the auto component exports basket:

Critical components, such as engine parts, drive transmission and steering, and electrical, are technologically more complex compared with lower-margin components, which were earlier the preserve of Indian players. They offer higher margins to manufacturers, but require greater investment in research and development, as well as high-precision engineering to adhere to the stringent quality standards of global OEMs. Typically, automotive OEMs are highly selective in qualifying suppliers with respect to critical products given the risks of switching suppliers, especially where product reliability is critical.

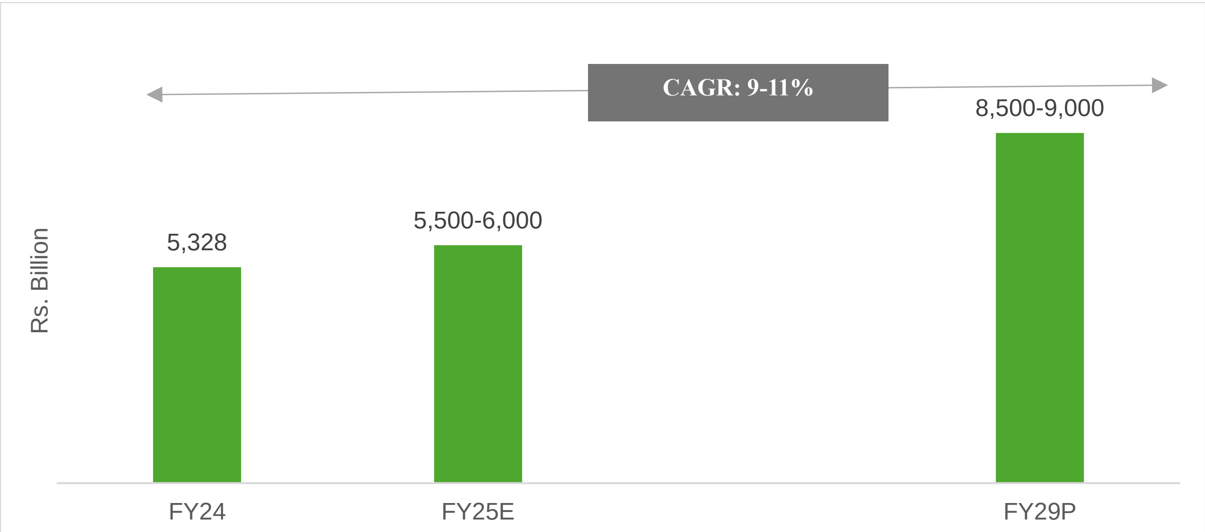
Indian manufacturers have been able to gradually increase their proportion of exports of critical components as they faced relatively less competition from other low cost producing countries in this segment. Many of these countries supplied more basic components, which were not as cost and quality intensive. India stepped up its share of exports of critical components significantly. This was possible since the domestic automotive market is increasingly attaining global technological intensity levels and component manufacturers continue to acquire greater technological prowess. Critical components are mainly exported to the US, Germany, Turkey, Italy, and Brazil. Also, off-late Indian safety and emission norms have been nearing global standards, and domestic companies have been gaining technology capabilities through joint ventures. Hence, critical component exports are projected to grow in the medium term.

Outlook of Indian auto components industry (fiscal 2024 to 2029)

CRISIL MI&A expects auto component market size to grow at 9-11% CAGR between fiscals 2024 and 2029 to reach Rs. 8,500-9,000 billion. This is more than ~7% CAGR observed during fiscal 2019 to fiscal 2024. Long-term growth to appear higher over a low base wherein the auto component industry witnessed a significant decline in the preceding two fiscals (FY20 and FY21). Demand from all segments has grown further post fiscal 2023.

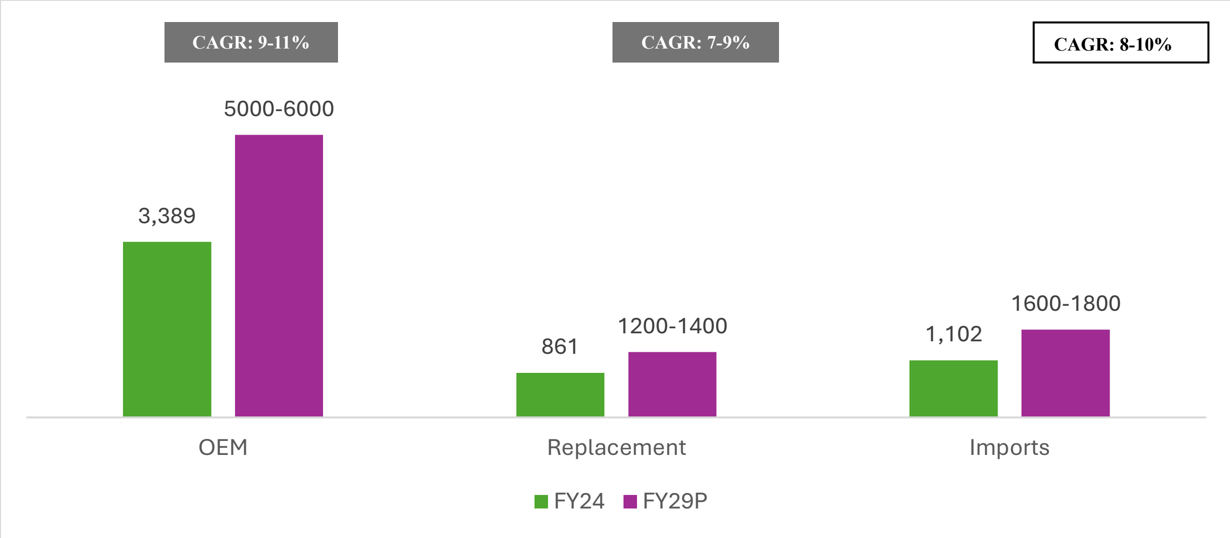
CRISIL MI&A projects auto component revenue is expected to increase by 8-10% in fiscal 2025. This can be attributed to increase in OEM demand, driven by the recovery in commercial vehicles (CV) and passenger vehicle demand. On the export front, Auto component exports (accounting for 21% of the overall demand in fiscal 2024) are projected to witness growth going ahead post higher double-digit growth post fiscal 2024.

Outlook on domestic production of auto components (FY24-29P)



E: Estimated, P: Projected
Source: CRISIL MI&A

Outlook on domestic consumption of auto components (FY24-FY29)



E: Estimated, P: Projected
Source: CRISIL MI&A

The growth in FY25 will be aided by recovery in economy (GDP growth of ~6.8%), buoyant demand from OEM and replacement market.

OEM demand is expected to clock 9-11% CAGR between fiscals 2024 and 2029 on the back of robust production growth across asset classes in the medium term (on a low base) and aided by realisation growth via OEM price increases.

Commercial vehicle production is expected to grow by 3-5% CAGR between fiscal 2024 and 2029 on account of improvement in infrastructure expenditure and lower penetration in light commercial vehicles. Demand is expected to increase during the period with medium and heavy commercial vehicle leading the growth in the upcoming five years. The growth can be attributed to an improvement in industrial activity, rising replacement volume and government's thrust on rural transportation.

Passenger vehicle segment production is expected to grow by 6-8% in fiscal 2025. Production improved significantly in FY23 and FY24 due to easing supply conditions coupled with healthy demand for new models primarily UV's. Capacity utilization levels of PV manufacturers is likely to be higher in fiscal 2025 compared to ~68-72% the preceding year.

Two-wheeler production growth is expected to grow by ~11-13% in fiscal 2025. Two-wheeler production grew by 10% in April-Feb fiscal 2024 owing to strong festive season demand and increasing EV adoption. Domestic wholesale volume is expected to grow by 10-12% in fiscal 2025 after an expected growth of 11-13 % in fiscal 2024.

Tractor production is expected to increase by 4-6% aided by a predicted normal monsoon boosted by the impact of La Nina in fiscal 2025. The increase if post an expected decline of ~8-10% in fiscal 2024 due to lower domestic demand as poor distribution of monsoon, low reservoir levels, elevated inventory levels and impacted rural incomes have restricted demand. The proportion of manufacturing activity outsourced to auto component makers is highest for cars and utility vehicles, explaining this segment's high contribution to OEM revenue. Outsourcing in the commercial vehicle segment is lower than for cars, but is expected to increase in the future, owing to growing technological spends by auto component players due to BS VI and safety norms. We expect localization by certain OEMs to increase, in turn supporting growth in domestic OEM offtake.

Healthy replacement demand along with an increase in realisations, to support replacement demand

The auto component replacement market is projected to increase by 7-9% CAGR between fiscal 2024 and 2029. This is due to increased OEM demand between fiscals 2017 and 2019 along with two to three years of replacement cycle. Moreover, auto component players undertook price hikes in recent months to offset the uptick in commodity prices. Hence, rising realization, to some extent, coupled with pent-up demand from fiscal 2021 wherein the vehicular movement was restricted is likely to aid the demand growth. Besides, demand in the replacement market is expected to grow due to an increase in penetration of cab aggregator services in the overall stock of passenger vehicles. Nonetheless, increased durability of components (better quality), better road infrastructure and increase in service intervals would restrict the robust growth.

Make in India' push is likely to put brakes on import growth in the long term

Imports are expected to grow by 8-10% between fiscal 2024 and 2029. The government's high focus on electric vehicles (EVs) and imports of batteries and cells, battery management systems (BMS) is expected to drive growth in the long term, although to be restricted by low EV penetration in the near term. However, government initiatives of production linked incentive scheme to provide Rs 18,100 crore for advanced chemistry cell batteries is expected to increase localization of battery manufacturing. This will in turn reduce such imports going ahead.

Market sizing and outlook of specific auto components

Overview of the auto component market

The company primarily deals into a specific automotive and non-automtive component segment, which is metal products, catering across vehicle categories from 2-wheeler, 3-wheeler, 4-wheeler, earthmoving and material handling to commercial vehicles. The metal fabrication and metal finishing and assembly segmentis further classified into four manufacturing categories - chassis and structural, body parts, load bearing parts and fabricated components, using varied manufacturing processes including sheet metal, tubular, fabrication, assemblies etc.

Manufacturing category vehicle wise market size scope table

Manufacturing category	2W	3W	4W	Earth Moving and Material Handling	Commercial Vehicles
Chassis and Structural	Complete Frame/ Welded Chassis	- Lateral Members		- Booms - Arms - Buckets - Chassis and Frames (Stationary and Revolving) - Engine Frames - Links - Towers - Track Frames - Fuel and Hydraulic Tanks	- Oil Pans - Spare Wheel Carrier Assembly - Engine Cradle - Counterweights - Hydraulic Tanks - Accelerator Assembly - Brake Pedal Assembly - Crash Guards
Body parts	- Handlebar and Assembly - Main Stand and Assembly - Side Stands and Assembly - Footrests and Assembly - Pillion Handles - Carrier Assembly - Saree Guards - Engine Guards - Chain Cases - Battery Trays and Holders - Swing Arm and Assembly - Exhaust System (Mufflers and Silencers) - Wheel Rims (Roll Formed)	- Complete Driver Cabin Assembly - Windshields (Without Glass) - Doors - Floorboard - Splash Guards		- Complete and Assembled Driver Cabins (Backhoe Loaders, Excavators, Mining Equipment etc.) - Canopies - ROPS Assembly - Engine Hoods - Dust Reservoir - Doors and Handles	- Stamped Body Parts and Assemblies

Manufacturing category	2W	3W	4W	Earth Moving and Material Handling	Commercial Vehicles
Load Bearing Parts			- Shock Absorber Links - Torsion Link Rods - Control Arms		
Other fabricated components	-Various Complex Bracketry Items	-Various Complex Bracketry Items	- Fabricated Structure (Back and Base) - Tubular Head Rest Rods (Safety Critical) - Various Complex Bracketry Items	Operator Platforms and Baskets, Various Complex Bracketry Items	-Various Complex Bracketry Items

Source: CRISIL MI&A Consulting

Key trends, growth drivers and entry barriers in the industry

Electrification

To curb pollution levels, EVs are gaining global interest. In India as well, EVs are gaining popularity as the government is extending support via various policies to encourage EV adoption. Furthermore, growing awareness and concern for environmental issues is likely to driver electrification in India. The government support, coupled with rising awareness about EVs, environmental concerns, as well as the expansion in EV infrastructure is driving electrification in India. The EV segment received a real thrust in the last two years backed by model launches at competitive rates, price hikes in ICE vehicles, elevated fuel costs as well as an improvement in infrastructure support.

MHI introduced Electric Mobility Promotion Scheme 2024 (EMPS 2024) in March 2024 with a budget outlay of INR 500 crores for a period of 4 months, starting from 1st April 2024 to 31st July 2024, for faster adoption of 2W EVand three-wheeler (e-3W). The scheme is aimed at providing incentives for the purchase of 2W EVs and e-3Ws in the country. The scheme would support the adoption of 372,215 EVs in total, including 333,387 2W EVs and 38,828 e-3Ws. The targeted e-3Ws include 13,590 e-rickshaws and e-carts, and 25,238 e-3Ws in the L5 category. Under the FAME-II scheme, PMP was implemented, and manufacturers were obligated to follow the PMP guidelines outlining the localization of EV components over time. These PMP guidelines for EVs will have to be followed by OEMs to be eligible for support under Electric Mobility Promotion Scheme 2024.

2W EVs will get a subsidy of INR 5,000 per kWh with a maximum limit of INR 10,000 per vehicle under the new scheme. E-rickshaws and carts will get a subsidy of Rs 5,000 per kWh with a limit of Rs 25,000 per vehicle. E-3Ws in the L5 category will also get a subsidy of Rs 5,000 per kWh with maximum incentive capped at Rs 50,000 per vehicle. Subsidies plays vital role in driving sales for EVs in the country. With FAME II having expired in March 2024, the introduction of EMPS is expected to provide an impetus to the EV market in the near term.

In the two-wheeler segment, initially lead-acid battery-powered scooters were launched in India which had average speeds below 25 km per hour (kmph). With innovations on the battery side, lithium-ion battery scooters gained traction, as they had average speeds of 40-50 kmph. Moreover, backed by a bevy of vehicle launches, entry of non-traditional players such as Ola and Ather into the EV space, added FAME subsidy incentives, increased ICE vehicle prices, and a sharp rise in fuel prices, EV sales have skyrocketed, especially in the last two years. The tech-savvy younger customer base quickly adopted these latest vehicles, which offered state-of-the-art features, attractive designs, lightweight body, and increased manoeuvrability.

Since EVs are simpler to produce than traditional ICE vehicles, many new OEMs have emerged in the space, both start-ups (such as Ather Energy, Simple Energy, and Tork Motors that have developed EV offering indigenously) and established business houses (such as JSW Group foraying into EV manufacturing). Non-legacy players such as Ola Electric, Ather Energy, Okinawa Scooters, and Ampere EV by Greaves have gained a strong foothold in the domestic 2W EV industry, stealing a march on established OEMs, and are disrupting the market with a hope to leverage their first-mover advantage and technological expertise. Traditional ICE players have taken longer to enter the 2W EV segment; however, they are making up for lost time by rapidly expanding their sales network and production capacity and are likely to challenge the top EV players.

E-3Ws use lithium-ion batteries and have a speed of more than 25 kmph. They are used for cargo and passenger movement. This space is characterised by the presence of relatively few players such as Piaggio and Mahindra and Mahindra. Under FAME-I, lead-acid battery-driven e-3Ws were also eligible for the subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Piaggio and Mahindra and Mahindra currently dominate the e-3W/e-autos retail market, accounting for more than 60% of retail sales. Market leader in the ICE segment, Bajaj has recently entered the e-autos space. Unlike the fragmented e-rickshaw segment, which is dominated by the unorganised market, the e-autos segment is much more organised and dominated by large traditional players. Three-wheelers are anticipated to spearhead the Indian EV journey because these vehicles are often used for short-distance trips, carry more load, and generally make do with a day’s worth of charge. In addition to the cost advantage due to central and state subsidies on EVs, the total cost of ownership of an e-3W is much less than that of an ICE alternative.

EV penetration in the passenger vehicle (PV) segment was insignificant till fiscal 2021 but it received a significant boost amid a sharp rise in fuel prices, a rise in ICE vehicle prices and the launch of newer models in the EV segment. Additionally, rising awareness, shifting consumer preferences provided an added boost to EV demand. However, electrification in the passenger vehicle segment is still at a quite nascent stage amid range anxiety, limited charging infrastructure availability, and relatively high costs of EVs, raising the total cost of ownership of EVs. EV adoption will be spearheaded by the taxi/commercial passenger vehicle segment. For this segment, the continued lower cost of ownership will provide the incentive to shift from ICE vehicles to EVs. Moreover, the entry of Greentech EV-only start-ups such as BluSmart and CAB-E will further boost demand. EV adoption in the personal segment is expected to be gradual. EV penetration will also be propelled by policies adopted by the government for penalising non-adherence to CAFE norms.

Light weighting

Lightweighting is a crucial aspect for the transport sector in improving vehicle performance, energy efficiency and emissions, and making safer vehicles. Replacing cast iron and traditional steel components with lightweight materials can directly reduce the weight of a vehicle's body and chassis and therefore reduce a vehicle's fuel consumption increasing efficiency. Aluminium and high strength steel (HSS) are the most used metals by automakers for lightweighting while improving performance standards, safety, and corrosion. Apart form that the materials including composite materials which are made of carbon fibre, plastics and polymers are also used in vehicles to reduce weight.

Lightweight materials are especially important for hybrid, plug-in hybrid, and pure electric vehicles. Using lightweight materials in these vehicles can offset the weight of power systems such as batteries, electric motors and other drivetrain related components. With EVs penetration increasing, application of lightweight materials in automobiles is expected to grow as the use of these materials would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers. With high focus on energy efficiency and range anxiety in BEVs, light weighting is gaining increasing focus of automakers globally. Even in ICE vehicles, the need to lower greenhouse gas emission has seen adoption of materials such as aluminium, magnesium, composite materials which are used to make thinner body panels and other structural members which can improve fuel efficiency.

Lightweighting has always been a point of focus for both ICE vehicle and EV manufacturers. Companies are using components made from aluminium, HSS, composites and plastics by improving the properties of these components to match application needs while keeping the weight low. With the dual focus on reducing oil imports, as well as gradually tightening fuel consumption, norms have forced OEMs to look for ways to improve fuel efficiency in their vehicles. One of these involves the use of components that have a higher strength-to-weight ratio, i.e., these components weigh less, but at the same time, offer superior structural properties and service life. Another area of focus is EVs, where efforts to alleviate range anxiety require more efficient vehicles that are lighter, but also strong enough to support heavier parts such as batteries, so that structural integrity is maintained on rough roads and in the case of a crash.

However, the adoption of aluminium frames/light weighting is still limited owing to the price dynamics, where in aluminium is priced 4x as compared to steel, which plays an important role in overall pricing of the vehicle.

With EVs penetration increasing, application of lightweight materials in automobiles is expected to grow as the use of these materials would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers.

Entry Barriers

- The metal fabrication, metal finishing and assembly industry requires specialised machinery and robust engineering processes. There is close coordination between manufacturers and OEMs from the ideation stage for new products. As a result, OEMs typically have an extensive and detailed vendor approval process and generally require longer periods to onboard new supplier thereby making it difficult for new suppliers to enter.
- High Capital Investment: Laser cutters, bending machines, welding robots, and finishing equipment are expensive. This makes it difficult for startups to acquire the necessary technology. This can be a significant barrier for startups and smaller companies.
- Building a Customer Base and long-term relationship: The automobile clients are generally sticky to their component manufacturers as once the vendor is onboarded, they maintain a long-term relationship as the entire process includes multiple steps of testing, product fit which is extensive, expensive and time consuming.
- Supply Chain Management: Establishing reliable supply chains for raw materials, components, and tooling can be challenging, especially for new entrants.
- Developing strong partnership: Establishing reliable supply chains for raw materials, components, and tooling can be challenging, especially for new entrants.
- Technical Expertise: Skilled labor with expertise in sheet metal fabrication, tubular fabrication, metal finishing, and assembly is crucial for successful operations. Attracting and retaining such talent can be challenging.
- Technological Advancements: The industry is rapidly adopting advanced technologies, such as laser cutting, automated welding, and robotics. Keeping up with these advancements requires continuous investment and training.
- Regulations and Compliance: Strict environmental and safety regulations, as well as compliance with industry standards, can add complexity and cost to operations.

Domestic auto component market sizing

Metal products

Metal products play a critical role in the design, functionality, and overall performance of vehicles. The automotive industry relies on a variety of metals depending on their unique properties, strength, durability, and flexibility. These metallic components contribute to the structural support, functionality, and aesthetics of vehicles. Metallic parts form part of structural components, engine components, transmission and drivetrain, suspension components, wheels, and brakes. Thus, metals are used from the chassis that forms the vehicle's skeletal foundation to the exhaust system's silencer and plays a pivotal role in the automotive ecosystem. Metal components are backbone of automobiles that offers structural integrity, performance, and safety to various vehicles.

In summary, metal products in automobiles serve a variety of functions, from offering structural support to ensuring safety and enhancing overall performance. The choice of metals depends on various factors, including strength requirements, weight considerations, and cost-effectiveness. As technology advances, the automotive industry continues to explore innovative materials and manufacturing processes to improve the efficiency and sustainability of metallic components in vehicles.

Chassis and structural

Chassis/frames: Chassis/frame is a structural framework upon which entire vehicle is built and provides the fundamental support for other components and systems. These components are critical to the overall performance, safety, and durability of the vehicle. The chassis supports various components, including the engine, suspension system, and body. It provides a platform for mounting all the other parts and contributes significantly to the vehicle's overall strength and rigidity. The frame is the skeleton of the chassis, providing the basic structure to which other components are attached. It determines the vehicle's overall shape and supports the weight of the vehicle and its occupants. Traditional chassis and frames are made of steel due to its strength and cost-effectiveness. High-strength steel alloys are commonly used to achieve the necessary structural integrity while minimizing weight. Modern vehicles, especially electric vehicles are increasingly incorporating aluminium components in their chassis and frames to reduce weight and improve fuel efficiency. Aluminium offers a good strength-to-weight ratio and corrosion resistance.

Source: CRISIL MI&A

Lateral Members

Lateral members on a three-wheeler are components that run along the sides of the vehicle providing structural support and rigidity the hell distribute forces throughout the chassis especially during turns and uneven terrain. The specific design and type of lateral members can vary depending on the three-wheeler type. Two common configurations

1. Frame paste chassis: A traditional ladder frame chassis uses longitudinal connected by lateral members that tie everything together and provide support against lateral forces. These can be tubes, beams or other shaped elements made from steel or other high strength materials
2. Monocoque chassis: Some three-wheeler particularly modern enclosed models might utilize a monocoque chassis this is a single shell structure where the body panels themselves become part of the load bearing structure in this case the lateral support can be integrated directly into the body panels with additional reinforcing elements to depending on the design.

Overall, the lateral members play a crucial role in maintaining the three-wheelers structural integrity and handling.

Arms

Within the intricate machinery of earth-moving equipment, the arm serves as a vital extension, amplifying the machine's reach and enabling the manipulation of diverse attachments. This robust structure, meticulously crafted from high-strength steel, operates through a system of hydraulics, mimicking the functionality of a giant, articulated limb. The arm assembly typically comprises several key components:

- Boom: The foundational element, the boom serves as the anchor point, firmly connecting the arm to the equipment's main body. It provides a stable base upon which the entire arm assembly pivots and extends.
- Stick: Interconnected with the boom, the stick facilitates the crucial extension and retraction of the working end of the arm. This manoeuvrability allows for adjustments in both reach and digging depth, maximizing the operational versatility of the equipment.
- Bucket Cylinder: Mounted strategically on the stick, this hydraulic cylinder governs the tilting movement of the attached implement. By meticulously controlling the cylinder, the operator achieves precise scooping, dumping, or grading of materials as required.

For instance, excavators are outfitted with robust arms mounted on a 360-degree rotating platform. This configuration empowers them with exceptional flexibility, allowing for efficient digging, lifting, and precise material placement.

Source: CRISIL MI&A

Buckets

Earth-moving equipment relies heavily on buckets, the versatile workhorses at the end of their powerful arms. These robust containers, typically constructed from high-strength steel, come in various shapes and sizes depending on the specific application and material being handled.
The primary function of a bucket is to scoop, transport, and dump a wide range of materials. General-purpose buckets, with their rounded design, excel at scooping and transporting loose materials like dirt, sand, and gravel. For heavier materials or applications requiring more digging force, penetration buckets feature a sharper edge and a more robust design.

Beyond these basic functions, buckets offer specialized capabilities for various tasks. Sifting buckets, with a mesh bottom, are ideal for separating debris from desired materials like topsoil. Tilt buckets allow for angled dumping, useful for tasks like grading or backfilling trenches. Clamp buckets, equipped with a powerful hydraulic mechanism, can securely grasp and transport objects like logs or boulders.

Source: CRISIL MI&A

Links

Within the intricate world of earth-moving equipment, the term "link" encompasses a critical aspect of the machinery's functionality, though it doesn't designate a singular, isolated component. There exist two primary domains where linkages demonstrably contribute to the operational efficiency of these machines.

Firstly, tracked vehicles such as excavators and bulldozers rely on linkages as the very foundation of their track assembly. These linkages, meticulously crafted from high-strength metals, typically manifest as heavy-duty chains or belts. Their function entails connecting the drive sprockets positioned at the front of the machine to the idler wheels situated at the rear. The interlocking design of these links forms a continuous loop, enabling the machine's locomotion. This movement is achieved by rotating the drive sprockets, which in turn engage the ground with the treads embedded within the links.

Secondly, the impressive range of motion exhibited by the arms on many earth-moving machines, such as excavators and loaders, is facilitated by a meticulously designed system of interconnected linkages. These linkages, constructed from high-strength steel to ensure resilience in demanding environments, serve to connect the various segments of the arm (boom, stick, and bucket cylinder). Through a sophisticated hydraulic system, the precise movement of these links empowers the operator with exceptional control overextending the reach, tilting the bucket, and manoeuvring the entire arm for efficient digging, scooping, and material handling tasks.

Source: CRISIL MI&A

Body parts

Handlebar: The handlebar is a critical component which is the primary interface between the rider and the two-wheeler. It plays a crucial role in steering and manoeuvring the vehicle. The handlebar houses the grip, switches, brake levers, and clutch levers. Handlebars provides a stable and responsive interface for riders to control the direction of the two-wheeler. These are made of steel tubes for durability and cost-effectiveness through the bending and welding process.

Source: CRISIL MI&A

Side stand and centre stand: The side stand and centre stand are essential components of two-wheelers, providing stability and convenience for parking in everyday use. The side stand is a folding/retractable metal rod attached to the side of the two-wheeler. It supports the vehicle when parked, by allowing it to lean to one side without the need for external support. The side stand is primarily used for quick stops, such as parking for a short duration or when waiting at traffic signals. The centre stand is also a retractable metal frame placed underneath the chassis. It allows the motorcycle to be lifted vertically, supporting it at its centre point. The centre stand provides a stable platform for the two-wheelers, making it ideal for parking over extended periods and for performing maintenance tasks. Both side stands and centre stands are commonly found in motorcycles and scooters, providing riders with flexibility in parking basis their needs. These are made from high strength steel parts which are welded together.

Source: CRISIL MI&A

Exhaust tube: The exhaust tube is part of the exhaust system and plays a crucial role in managing the exhaust gases produced by the engine. The main purpose of the exhaust tube is to control emissions by removing exhaust gases away from the engine and filter pollutants prior to releasing them into the environment. Also, it reduces the noise generated by the exhaust gases expelled from the engine during the combustion process. Exhaust tube houses the catalytic converter and muffler which are key components in reducing the emission and noise from the exhaust system. It is made from heat resistant steel parts welded together.

Source: CRISIL MI&A

Swing arm: The swingarm is a critical component in the suspension system of two-wheelers, connecting the rear wheel to the vehicle's frame. It plays an important role in supporting the rear wheel, maintaining stability, and overall handling of the vehicle. The swingarm is primarily responsible for securing the rear wheel and facilitating the rotation of it. Also, it connects the rear shock absorber with vehicles frame, contributing to the overall suspension geometry. The swingarm also accommodates different drive systems, such as chain, or belt. Swingarms are made of steel, providing a balance between strength, durability, and cost-effectiveness.

Source: CRISIL MI&A

Wheel Rims (Roll Formed): The wheel rims provide structural support for tires, ensuring stability and performance. They are crucial for safe handling, durability, and the overall riding experience. It creates an airtight seal between the tire and the wheel, preventing air from leaking out. This is especially important for tubeless tires, he most common type used on automobiles today.

Source: CRISIL MI&A

Complete and Assembled Driver Cabins (Backhoe Loaders, Excavators, Mining Equipment)

It serves as the operator's command centre. This critical enclosure, typically constructed from high-strength steel for durability and ROPS (Roll-Overprotective Structure) compliance for safety, provides a protected and functional environment.

The cabin itself is a pre-assembled unit that arrives on the equipment chassis complete with essential features like:

- Seating: An ergonomic and adjustable operator's seat with features like armrests, lumbar support, and suspension for comfort during long shifts.
- Controls: A centralized control panel housing levers, joysticks, buttons, and switches for operating all machine functions like movement, digging, and attachment control.
- Instrumentation: A clear and informative dashboard displaying vital information such as engine speed, fuel level, hydraulic pressure, and machine alerts.
- Climate Control: A heating and air conditioning system to maintain a comfortable temperature for the operator regardless of the external environment.
- Visibility: Strategically placed windows and sometimes even mirrors to provide a panoramic view of the work area, minimizing blind spots and enhancing operational safety.

The complete and assembled driver cabin offers a secure haven (ROPS compliance, seat belts) and a comfortable workspace (ergonomics, climate control) that minimizes fatigue and optimizes operator performance.

Source: CRISIL MI&A

Canopies

Canopies serve as an indispensable element, prioritizing both operator safety and working comfort. These overhead structures, meticulously crafted from Roll-Overprotective Structure (ROPS)-compliant materials such as high-strength steel or reinforced mesh, are strategically mounted upon the machine's frame. Their primary function encompasses a two-fold approach:

Roll-Overprotective System (ROPS): Canopies function as a paramount safety feature, offering a designated protective zone for the operator in the unfortunate event of a rollover accident. The ROPS certification meticulously verifies the structural integrity of the canopy, ensuring its capacity to withstand the immense weight of the machine should it tip over. This significantly mitigates the risk of operator injury or fatality during such occurrences.

Safeguarding Against Falling Objects: Furthermore, canopies provide a crucial layer of protection from falling objects that may be present in the work environment. This encompasses loose materials, debris, or even tools that could be dislodged inadvertently during operation. By offering this safeguard, canopies shield the operator from potential hazards.

Source: CRISIL MI&A

ROPS Assembly

Earth-moving equipment prioritizes operator safety with the ROPS (Roll-Overprotective Structure) assembly. This crucial component, not a single part but a system of high-strength steel, integrates seamlessly with the machine's frame. Encasing the operator's cabin, the ROPS' primary function is to safeguard against rollovers. These incidents, though rare, can be life-threatening. Rigorously tested and certified, the ROPS can withstand the machine's weight if overturned, preventing cabin collapse, and drastically reducing injury or fatality risk. The ROPS assembly goes beyond immediate protection; it indirectly promotes seat belt use, further enhancing operator safety within the cabin.

In essence, the ROPS signifies a commitment to operator well-being, allowing them to work with confidence in the knowledge they are protected by a well-engineered safety system.

Source: CRISIL MI&A

Oil Pans

Within the intricate network of a commercial vehicle's engine system, a vital component resides at its lowest point: the engine oil sump. This element, often referred to as the crankcase oil pan, plays a multifaceted role in ensuring the smooth and efficient operation of the engine. Firstly, it functions as the primary reservoir for engine lubricant, maintaining a consistent supply for all moving parts and minimizing friction. Secondly, the engine oil sump contributes to the engine's thermal management system by facilitating the dissipation of heat generated during operation. Furthermore, it provides a crucial access point for the oil pump to draw lubricant and circulate it throughout the engine for proper lubrication.

Finally, the engine oil sump also acts as a collection point for any metal shavings or debris produced by normal engine wear, protecting the engine's internal components from potential damage. In essence, the engine oil sump, though residing beneath the hood, plays a critical role in the smooth and efficient operation of the commercial vehicle's engine.

Source: CRISIL MI&A

Spare wheel carrier assembly

Commercial vehicles, due to their size and function, often operate in remote locations or travel long distances. This makes the presence of a spare tire and a reliable system to carry it critical. The spare wheel carrier assembly fulfils this vital role by providing a secure and readily accessible location for the spare tire.

Typically constructed from durable steel or aluminium for strength and weather resistance, the spare wheel carrier assembly is mounted on the exterior frame of the vehicle, most commonly at the rear. This placement offers several advantages. First, it keeps the spare readily available for quick access during a tire change on the side of the road. Second, positioning the spare on the exterior frees up valuable cargo space within the vehicle itself. Finally, mounting the spare on the frame ensures it doesn't add significant weight to the vehicle's body or axles, potentially impacting handling, or performance.

The specific design of the carrier assembly can vary depending on the vehicle type and the size of the spare tire. Simpler designs might involve a basic bracket with straps or chains to secure the tire. More elaborate assemblies might incorporate a winch system for easier lifting and lowering of the spare, especially for larger tires found on heavy-duty trucks or buses.

Source: CRISIL MI&A

Engine cradle

Engine cradle acts as a vital support system for the powertrain. This rigid structure, typically constructed from high-strength steel, is strategically positioned at the front section of the vehicle's chassis. Its primary function is to securely house and support the engine, transmission, and sometimes even the exhaust system. By cradling these critical components, the engine cradle isolates them from the main chassis, offering several key benefits.

The engine cradle helps to dampen vibrations and noise generated by the engine during operation. This translates to a smoother and more comfortable ride for both the driver and passengers. Secondly, the cradle provides a stable platform for the powertrain, ensuring proper alignment of the engine and transmission for optimal performance and efficiency. Additionally, the use of a dedicated engine cradle simplifies the process of engine removal and installation during maintenance or repairs, reducing downtime for the vehicle.

Source: CRISIL MI&A

Brake pedal assembly

A commercial vehicle's brake pedal assembly is the vital link between the driver's foot and the vehicle's braking system. This assembly, typically constructed from durable steel components for strength and wear resistance, consists of several key parts:

- Brake Pedal: The pedal itself is the interface for the driver's foot input. It's designed for ergonomic comfort and allows for precise control of braking force.
- Pivot Point: The pedal connects to the assembly via a pivot point, enabling the pedal to move freely when depressed.
- Linkage System: A system of levers and rods transmits the force applied by the driver's foot on the pedal to the vehicle's braking system. This linkage can be mechanical or hydraulic depending on the specific braking system.
- Return Spring: A spring ensures the brake pedal automatically returns to its resting position when the driver's foot is lifted.

The brake pedal assembly serves a critical purpose in commercial vehicles. It allows the driver to modulate braking force effectively, enabling safe and controlled deceleration of the vehicle, even when carrying heavy loads.

Source: CRISIL MI&A

Crash guards

Crash guards, sometimes referred to as bull bars, are additional metal structures attached to the front of a vehicle. Their primary function is to bolster a vehicle's defence during a collision. The concept is that the crash guard absorbs some of the impact force in a head-on crash, potentially mitigating damage to the vehicle itself and even reducing injuries for the occupants. This additional structural support aims to create a buffer zone, absorbing the initial impact and dissipating a portion of the energy before it reaches the vehicle's main body.

Source: CRISIL MI&A

Floorboard

Sheet Metal floorboard is a durable, non-slip metal component providing a strong, stable foundation, enhancing safety, stability, and interior aesthetics in three-wheeled vehicles. It is a platform that provides a footrest or floor space for the driver and the passengers, front floorboard for the former and rear floorboard for the latter. It may be flat or may have raised edges to help keep passengers' feet in place. It may also have drainage holes to allow water to drain out of the vehicle.

Source: CRISIL MI&A

Windshield frame (Without Glass)

Made of steel for strength and durability it's designed to securely grip the windshield around its edges and integrate with the vehicles body work while the windshield frame is a relatively uncomplicated component it's essential for ensuring the windshields proper function and the drivers safety. The windshield shields occupants from wind and debris, enhances safety by providing structural support, maintains visibility, and aids aerodynamics for improved efficiency and reduced noise

Source: Secondary research

Load Bearing Parts

Torsion link rod

The torsion link rod is an integral part of a vehicle's suspension system, responsible for connecting the suspension components and controlling torsional forces to ensure stability and smooth handling.

Torsion rod or bar resists twisting and has a strong tendency to return to its original position when twisted. It is a long spring-steel element with one end held rigidly to the frame and the other end twisted by a lever connected to the axle. It thus provides a spring action for the vehicle.

Source: CRISIL MI&A

Shock absorber link

The shock absorber link is a crucial component of a vehicle's suspension system, connecting the shock absorber to the vehicle frame. It dampens vibrations and impacts, enhancing ride comfort and stability. These linkages, constructed from high-strength steel to ensure resilience in demanding environments, serve to connect the vehicle's suspension system. Its robust construction and pivotal role in connecting the sway bar to the suspension make it indispensable for smooth and safe driving experiences.

Source: CRISIL MI&A

Outlook of the domestic metal products market (fiscal 2024 to 2029)

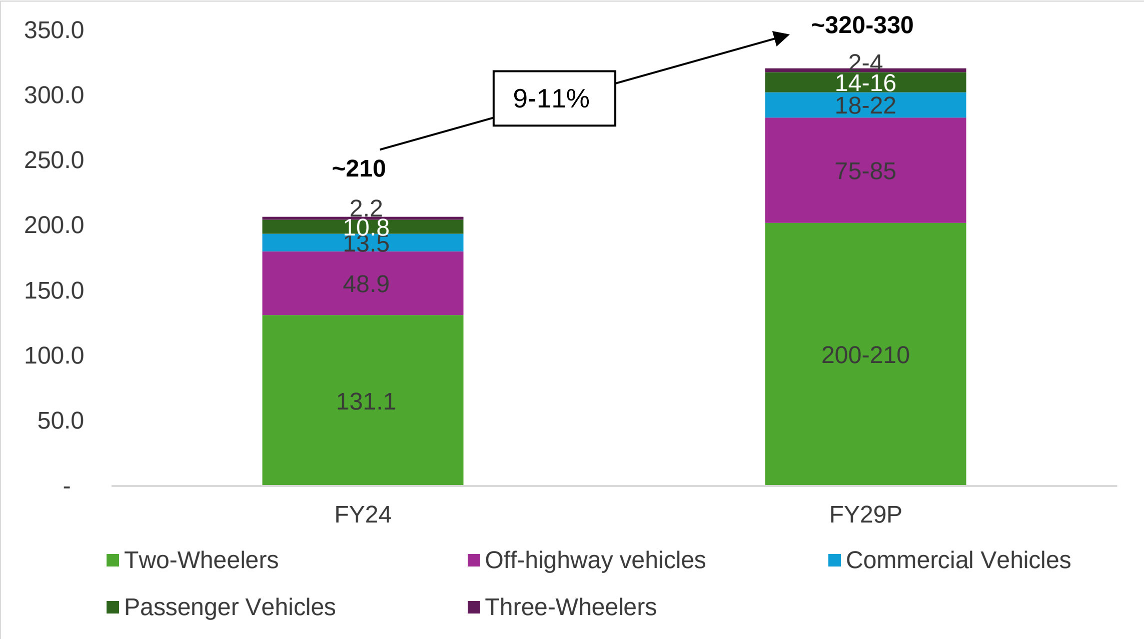
As mentioned above, metal products segment includes components such as frame/chassis, exhaust systems, stands (main, side, and centre), handlebar, swing arm, shock absorber links, torsion link rods, cabin structure assy, catering to multiple automotive vehicle segments including motorcycles, scooters, three wheelers, passenger vehicles, commercial vehicles, and earthmoving equipment (EME) in both the internal combustion (IC) and electric vehicles (EVs) segment.

Metal Products market size (fiscals 2024E-2029P)

The metal products market is estimated at ~Rs 210 billion in fiscal 2024. Metal products are expected to grow at 9-11% CAGR over the next five years though fiscal 2029 to reach Rs 320-330 billion. The market would be majorly driven by the two-wheeler segment followed by OHV. Almost all vehicle segments would log robust production growth over fiscals 2024-29. The domestic sales of two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and construction equipment is projected to grow at 6-8%, 5-6%, 5-7%, 3-5%, and 10-12% respectively, over the forecast period, driving the OEM market for metal products. Key macroeconomic trends are also likely to aid demand for two-wheelers, three-wheelers, passenger vehicles and construction equipment over the medium to long term.

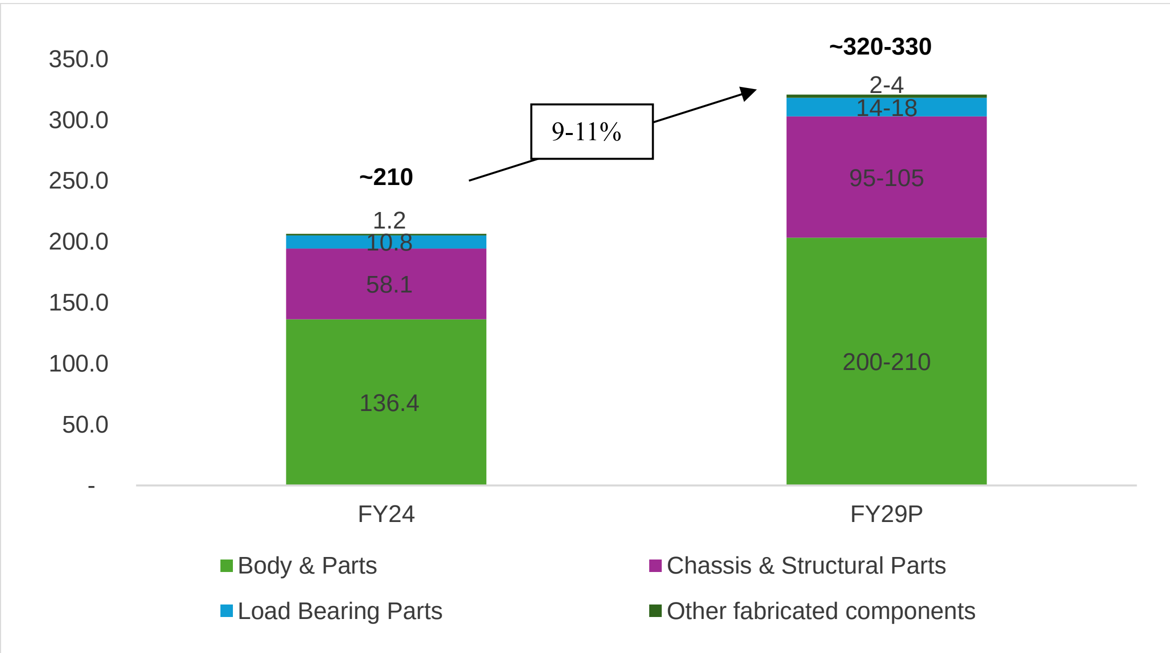
Key players in the metal products segment are Metalman Auto Limited, JBM Auto, Endurance Technologies, Sandhar Technologies, CIE Automotive India Limited, Craftsman Automation

Market size (ICE and EV combined) (in Rs Bn) – Vehicle segment wise



Source: CRISIL MI&A consulting
Note: Earth Moving Equipment & Material Handling and OHV are same

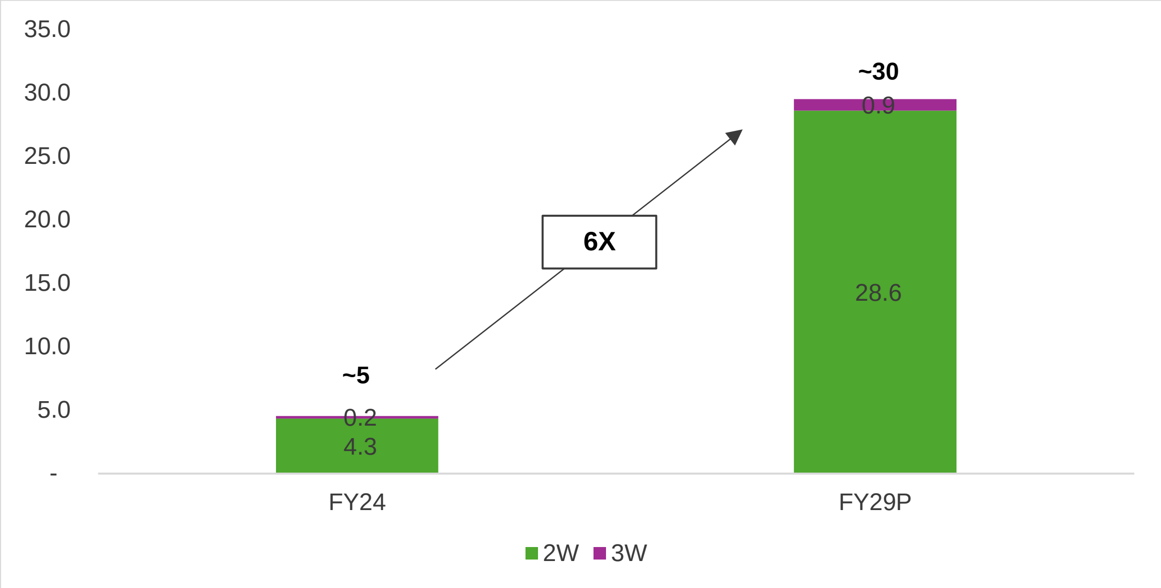
Market size (ICE and EV combined) (in Rs Bn) – Manufacturing category wise



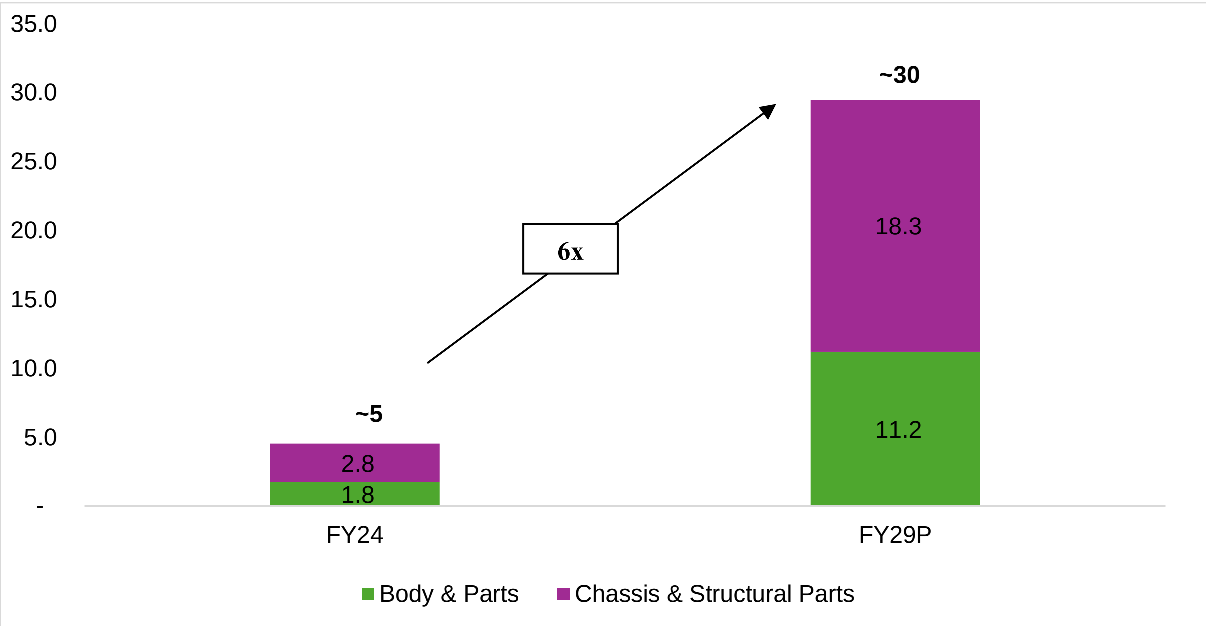
Source: CRISIL MI&A consulting

The metal products market catering EV is estimated to grow multi-fold by 6x from ~Rs 5 billion in fiscal 2024 to ~Rs 30 billion in fiscal 2029. With this, the overall contribution of metal products with respect to EV is expected to rise to ~9.0% by fiscal 2029 from ~2.5% in fiscal 2024, driven by 2W segment. Market growth in the EVs (2W, 3W, PV, CV) in terms of volume is expected to be driven by 2W, majorly the scooter segment.

Market size, only EV (in Rs Bn) - Vehicle segment wise



Market size, only EV (in Rs Bn) – Manufacturing category wise



Source: CRISIL MI&A consulting

Domestic market for EV metal products is very niche and is growing. A clear shift in consumer preference is observed in the two-wheeler market and sales of high-speed 2W EV increased substantially in FY23. Market growth in the EV segment would be driven by two-wheelers, majorly the scooter segment. EV adoption in the two-wheeler segment will be largely driven by urban scooter buyers, as cost of ownership in case of electric scooters will be less than ICE scooters. The 2W EV penetration is expected to reach 28-30% by fiscal 2029.

The growth in EV in the three-wheeler segment would be driven by goods vehicles in the short term as most of the fleet operators in end-use segments like FMCG, e-commerce and dairy shift to e-autos owing to the lower operating costs. Growth will be led by players in last mile delivery switching to electric three-wheelers. While PVs are expected to drive the EV market in the long term due to lower battery cost, improved charging infrastructure and availability of wide range of models by fiscal 2029, we expect the penetration of electric 3Ws to reach 30-34% levels from the current 13.2% in fiscal 2024. Some top three-wheeler states have also banned permits for diesel vehicles, which is also expected to support three-wheeler sales. The automotive component industry is expected to gradually evolve and cater EVs in the medium term.

CRISIL MI&A consulting believes that pick-up in EV adoption will happen at much faster pace in the next five years, led by the two- and three-wheeler segments. Improving rural infrastructure impacts demand for two- and three-wheelers, thus improving the mobility in rural areas. Use of two- and three-wheelers in last-mile delivery by e-commerce players/food chains would drive demand for new vehicles as well as the components industry. Rising adoption of EVs in the PV and CV segments would also drive the metal products market. Domestic market for EV metal products is driven by the growth of the e-LCV and PVs would drive the PV segment.

Profiling of key automotive component players

Key player profiles

Key players in the metal products segment are Metalman Auto Limited, JBM Auto Ltd, Endurance Technologies Ltd, Sandhar Technologies Limited CIE Automotive India Limited, Craftsman Automation.

Metalman Auto Limited

Key facts	Brief profile
Year of incorporation: 1986 HQ: New Delhi	Key product segments The company manufactures Sheet Metal, Tubular, Light and Heavy Fabricated Assemblies, Sub-Assemblies, Parts with all types of Surface Finishing, which can further be classified as (i) chassis and structural parts; (ii) body and parts; (iii) seating structures; (iv) cabins; and (v) load bearing parts. Metalman caters to a diverse customer base across 2W, 3W, PV, CV, AV and OHV segments and provide them with automotive and non-automotive components. 1 out of every 4 high speed EV scooters sold in the country, 1 out of every 5 2W motorcycles exported from the country and 1 out of every 10 2W sold in the country are fitted with Metalman's frames/chassis for the fiscal year ending 31st Mar 2024. It has powertrain agnostic offerings in the automotive industry serving both 2W EVs and 2W ICE OEM customers. It also has contract manufacturing facilities with dedicated assembly lines to assemble complete 2W. It is also of the key suppliers to Global OHV OEMs in the country. Metalman is one of the first metal fabrication, metal finishing and assembly companies in India along with the manufacturing processes. It has expertise in Robotic welding, CNC Tube Bending, SPM welding, press shop, Surface finishing, Machine shop, Tool room, Laser and Gas cutting, Press brake, Tube notching. It is into fabrication and manufacturing of aesthetic-centric components for white body goods such as front and rear panels and rear covers of washing machines. It is one of the few players in the industry which is a one stop shop for sheet metal and tubular fabrication, metal finishing and assembly of components for OEMs in the automotive and non-automotive sectors.
Plant locations Metalman has grown to establish 9 - plants (Including Engineering Centre) along with 2 additional sister concerns. The plants are in Aurangabad (Maharashtra), Madhya Pradesh, Hosur (Tamil Nadu), Chennai, Punjab, Uttarakhand, Haryana. These plants are in proximity to major auto clusters, Pune/Nashik/Waluj, NCR, Chennai, Pithampur, and Hosur. **Key clients** **Customers**:, , Hero MotoCorp, TVS Motor Company, , Mahindra & Mahindra, Honda Motorcycles and Scooters India Ltd, , Ather Energy, , Bajaj Auto, Gogoro India Limited, BMW AG, Lear, CNH Industrial, Epiroc, JCB,LiuGong, CAMSO (Michelin), Normet,	

Source: Company reports, CRISIL MI&A Consulting

Sandhar Technologies

Key facts	Brief profile
Year of incorporation: 2006 **HQ**: Gurugram, Haryana	Leading automotive components and systems suppliers, engaged in the manufacturing of a diverse range of products, with primary focus on safety and security systems for automobiles across segments. Subsidiaries- Sandhar Technologies Barcelona, Sandhar Tooling, Sandhar Strategic Systems Private Limited, Zinc Die Casting. Product categories include automotive locking and security systems, automotive vision systems, aluminium die casting, magnesium die casting, automotive optoelectronics, polymers, painting, plating and coating, commercial tooling, helmets, assemblies, fuel pumps, filters, and wiper blades.
Plant locations - Sandhar operates with 37 manufacturing facilities across 8 states in India, 2 manufacturing facilities in Spain, and 1 manufacturing facility in Mexico, Stampings, Operators Cabins and Structural Parts, **Key clients -** Long-standing relationships with 79 Indian and global OEM customers, which include some leading companies such as Ashok Leyland, Doosan Bobcat India Private Limited, Escorts Limited, Hero Motorcorp, Honda Cars India, Komatsu India Pvt Ltd, Scania AB, TAFE Tractors, Tata Motors Limited, TVS Motor Company, UM Lohia, and Volvo. Also includes OEMs such as Caterpillar, CTS, Hyundai Construction, International Tractors, JCB, Kobelco, Mahindra and Mahindra, and SML Isuzu.	

Source: Company reports, CRISIL MI&A Consulting

JBM Auto

Key facts	Brief profile
Year of incorporation: 1983 **HQ:** Gurgaon, Haryana	Key product segments JBM Auto Limited is a part of the JBM Group, a diversified business conglomerate based in India. The JBM Group has interests in various industries, including automotive, engineering and design, renewable energy, and education It is an end-to-end solutions provider for all business segments including 2-wheelers, 3-wheelers, passenger vehicles, commercial vehicles, farm and construction equipments. JBM Auto has a comprehensive range of auto components including contract manufacturing, BIW, chassis and suspension systems, pedal boxes, tubular products, and safety critical components and assemblies. Also, it claims to be the largest manufacturer of metal forming system in India and amongst the leading players globally. They use various technologies in their manufacturing processes, including cold and hot stamping, aluminium stamping, CMT welding, roll forming, laser welding, laser cutting amongst many others.
Manufacturing Capacity They have a manufacturing capacity of 3,000 buses per annum. 2 and 3 wheelers – Approximately 1 bn+ manufactured in totality. Passenger Vehicles – Approximately 1.5 bn+ manufactured in totality. Commercial Vehicles – Approximately 15 mn+ manufactured in totality. Farm Equipment – Approximately 1.5 mn+ manufactured in totality. **Plant locations** In India, it has 17 manufacturing facilities located in states including Karnataka, Haryana, Maharashtra, Gujarat, Madhya Pradesh, Uttarakhand, Tamil Nadu. Globally, it has manufacturing facilities in the Germany, United States, Spain, Czech Republic, South Africa, China, Hungary, Turkey, Italy.	

Source: Company reports, CRISIL MI&A Consulting

Endurance Technologies Ltd

Key facts	Brief profile
Year of incorporation: 1990	Key product segments The company is a leading manufacturer and supplier of aluminium die casting components (ADCC) for automobiles.

<table>
<tr><th>Key facts</th><th>Brief profile</th></tr>
<tr><td>HQ: Aurangabad, Maharashtra</td><td>Its business segment includes aluminium die casting, suspension, transmission, braking systems, and aftermarket.
The company manufactures suspension, transmission, steering columns, clutches, Catalysers, silencers, and braking products, which are supplied to two-wheeler, three-wheeler and four-wheeler OEMs.</td></tr>
<tr><td colspan="2">Manufacturing Capacity
During FY 2022-23, aluminium alloy wheels’ capacity expansion reached 4.5 million wheels per annum. Also, capacity expansions to 6.8 million brake systems and 8.1 million brake discs per annum were operationalized.

Plant locations
The company has manufacturing presence in India, Germany and Italy and has more than 30 manufacturing facilities. Its overseas operations are primarily through two direct subsidiaries, Endurance Amann GmbH (Germany) and Endurance Overseas Srl (Italy). They supply casting and machining products to leading four-wheeler OEMs in Europe.
Here is the comprehensive list of Endurance Technologies’ manufacturing plant locations –
Domestic: Aurangabad (9), Pune (3), Pantnagar (2), Chennai (2), Halol (1), Sanand (1), Kolar (1)
International: Germany (3), Italy (8), Tunisia (1)

Key clients
Bajaj Auto, Honda (HMSI), Hero MotoCorp, Royal Enfield, Indian Yamaha Motors, TVS motors Company, Hyundai/Kia motors Motor Company, VW Group, Stellantis, Daimler, Tata Motors Limited</td></tr>
</table>

Craftsman Automation

<table>
<tr><th>Key facts</th><th>Brief profile</th></tr>
<tr><td>Year of incorporation: 1986

HQ: Coimbatore</td><td>Key product segments
Craftsman has primarily 3 business verticals – Powertrain, Aluminium products, Industrial and Engineering
In powertrain, Craftsman is involved in machining critical engine and transmission components for M&HCV and tractors. The Company has presence in the construction equipment category and the M&HCV segments for the machining of cylinder heads and blocks.
In Aluminium products, it is involved in Aluminium die-casting and machining business and expertise in developing Industrial components.

The Industrial and Engineering (IE) segment comprises of two segments – Industrial engineering which is a play on the capex cycle (highend sub-assembly and contract manufacturing) and Storage Solution which is a proxy to India’s warehousing growth.
The major products are Cylinder blocks, cylinder heads, housing, cylinder camshaft, baring cam, water pump inlet pipe, air intake manifold, cooling tray, power transmission parts</td></tr>
<tr><td colspan="2">Manufacturing Capacity
They have diversified manufacturing facilities like casting, short blasting, Heat treatment plant, Powder coating plant, Automated painting booth, Integrated pattern and core shop, Machine and Assembly shop.
Plant locations
Craftsman Automation own and operate 16 manufacturing facilities in India. The plants are located at Bhiwadi, Pithampur, Pune, Bengaluru, Coimbatore, Chennai, Nagpur, Jamshedpur, Faridabad with a total built up area of over 1.5 million sq. ft. The manufacturing facilities include aluminium foundries, pressure dies casting facilities, machining and allied facilities, heat treatment, fabrication, and assembly facilities.

Key clients
In Powertrain and Others segment, the key customers include Daimler India, Tata Motors Limited, Tata Cummins, Mahindra and Mahindra, Simpson and Co. Limited, TAFE Motors and Tractors, Escorts, Ashok Leyland, Perkins, Mitsubishi Heavy Industries, John Deere and JCB India.
In Aluminium Products segment, the key customers include Daimler India, TVS Motors Company, Royal Enfield, Perkins and Mahindra and Mahindra.
In industrial and engineering segment, they have clients such as Siemens and Mitsubishi Heavy Industries.</td></tr>
</table>

Peer comparison

Comparison of key players (Consolidated - fiscal 2024)

Parameters (₹ millions)	Metalman Auto Ltd	Craftsman Automation	Endurance Technologies Ltd	Sandhar Technologies	JBM Auto
Revenue from Operations (1)	15,075.97	44,517.3	102,408.71	35,211.08	50,093.50
Revenue Growth (2)	43.53%	39.88%	16.32%	21.05%	29.86%
EBITDA (3)	1,317.2	8,969.20	14,135.99	3,553.44	6,143.20
EBITDA Margin (4)	8.65%	20.07%	13.69%	10.06%	12.21%
Profit after tax (“PAT”) (5)	500.04	3,373.3	6,804.88	1,102.61	1,937.30
PAT Margin (%) (6)	3.28%	7.55%	6.59%	3.12%	3.85%
Net Debt to EBITDA (in times) (7)	2.34	1.63	0.17	1.66	3.31
Return on equity (RoE) (9)	16.34%	22.24%	14.14%	11.53%	17.54%
Return on Capital Employed (RoCE) (10)	15.55%	21.51%	16.73%	14.90%	23.17%
Cash Conversion Cycle (in Days) (11)	35.0	67.0	19	32	23
Fixed Assets Turnover Ratio (in times) (12)	3.34	2.09	3.27	3.08	3.26

Source: Company Annual Reports, CRISIL MI&A Consulting

(1) *Revenue from Operations means the revenue from operations for the period / year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant period / year minus Revenue from Operations of the preceding period / year, divided by Revenue from Operations of the preceding period / year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year (“PAT”) as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings Plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money)*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days is calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by Revenue from operations multiplied by 365 days*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the period / year divided by property, plant and equipment.*

Threats and Challenges

Demand Side Challenges

Economic Slowdown and Industrial Output Decline

Impact on Sales and Production: The Automotive Industry and within it the commercial vehicles and earth moving equipment and material handling industry are very closely linked to the performance of the Economy. Economic slowdowns result in reduced industrial activities and lower consumer spending, directly affecting automotive segments such as two-wheelers, passenger vehicles and commercial vehicle sales. When the economy contracts, businesses often delay or reduce investments in new construction equipment’s or commercial vehicles, leading to a drop in orders for Metal products and associated components (sheet metal, tubular, fabricated assemblies). The downturn in FY2020 saw a drastic 17.8%, 18.1%, 28.8% and 22% decline in two-wheelers, passenger vehicles, commercial vehicle and construction equipment sales respectively, which translated to lower demand for metal products. This contraction forced sheet metal and light heavy fabricated assembly manufacturers to cut back on production, affecting their revenue streams and profitability.

Profit Margins and Cash Flow: With lower sales volumes, manufacturers face squeezed profit margins due to fixed operational costs and reduced economies of scale. This squeeze is in turn passed on to component manufacturers. Due to this, Cash flow issues can arise, impacting the ability to invest in new technologies or maintain existing equipment. Smaller players in the market may struggle to survive prolonged economic downturns.

We have projected real GDP growth to be 6.8% for fiscal 2025. Any moderation to GDP growth may have an impact on Industrial output and investment and consequentially on the Automotive and auto-component Industry.

Above or below normal monsoons

Within the Economic spectrum, the two-wheeler, commercial vehicle and EME Industry is very closely linked to the output of the Agricultural, manufacturing and construction sectors. While the Agricultural sector has a direct dependence on the normalcy of monsoon, the manufacturing and construction sector too, is indirectly impacted by monsoon performance both on demand as well as supply side across various sub-segments on manufacturing.

We have considered a normal monsoon scenario while forecasting the outlook for the Automotive Industry. If rains are not normal and there is a scenario like El Nino or La Nina impacting farm activities on the rural side, then that could impact farm related incomes as well as sentiments which in turn can affect the demand side factors for two-wheelers, passenger vehicles, three-wheelers and commercial vehicles and in turn for metal products suppliers.

Impact of changing interest rates scenario

A sustained high level of inflation could lead to rate hikes by the central bank thereby impacting interest rates. The transmission of past rate hikes by the Monetary Policy Committee (MPC) have largely played out amid tight liquidity conditions. There could be further rise in market lending rates in the near term on account of many other macroeconomic conditions thereby leading to an increase in lending rates impacting cost of purchase.

Increase in vehicle cost of ownership

A vehicle's cost of ownership is determined by its cost of acquisition and cost of operations, and both have a significant impact on the demand. The cost of vehicle acquisition rises when OEMs transfer the impact of increased manufacturing costs to the customers. In the past, the industry has seen price hikes owing to several reasons like emission norms implementation, increase in raw material prices and general inflationary hikes. These are also likely to push vehicle prices upwards going forward. Auto finance rates are also pivotal in determining affordability.

The cost of operations for a customer are directly impacted by fluctuations in crude oil prices and INR USD exchange rates, that cause rise in fuel import costs and overall fuel prices. Geopolitical issues like the Russia-Ukraine war, the war in Israel etc. could also impact fuel prices thereby having a bearing on the vehicle demand and in turn for the metal product suppliers.

Price escalations on account of regulatory push

Based on European emission standards, the Indian government has introduced the Bharat Stage (BS) norms, which are being implemented in a phased manner in the country. For the BS-VI stage 2 norms, applicable from fiscal 2024, companies have invested in the relevant technology, research, and development, and signed joint ventures (JVs) with global players. These norms have resulted in price hike for vehicles across segments owing to the introduction of new technologies to meet new emission regulations. Going forward, new emission norms are likely to be announced, which could potentially raise vehicle prices as well and impact the demand.

Inherent cyclicity of the domestic 2W and PV business

The two-wheeler and passenger vehicle industry has close linkages with growth in GDP as well as business cycles impacting incomes of probable customers thereby making the industry susceptible/vulnerable to these changes. This cyclical nature of the two-wheeler and passenger vehicle industry poses constant challenges to the industry players and component suppliers as they have to constantly manage inventory optimally and profitably.

Inherent cyclicity of Commercial vehicle and EME dependent Industries

The demand for commercial vehicles and EME is closely tied to economic growth. During periods of robust economic expansion, there is an increase in industrial output, infrastructure projects, and logistics activities, driving higher demand for commercial vehicles and earth moving material handling equipments. Conversely, during economic slowdowns, demand plummets as businesses reduce capital expenditures and transportation needs decline. For instance, the CV industry has seen 3 business cycles in the past 2 decades:

- FY04 to FY09 (peak in FY08)
- FY 09 to FY15 (peak in FY12
- FY15 to FY 21 (peak in FY19)
- FY21 to ongoing

It has been seen that there can a swing of more than 20-25% between the peaks and throughs of the business cycles of the CV Industry which in turn can makes business planning complicated for players involved in supply of components to the commercial vehicle Industry

Supply Side Challenges

Raw Material Availability and Cost

Cost Management: Fluctuating prices of raw materials like iron and steel pose significant challenges to managing costs. A sudden spike in prices, such as the increase in iron ore prices, can erode profit margins and make it difficult to offer competitive pricing to customers. Metal product manufacturers must either absorb these costs, reducing profitability, or pass them on to customers, potentially losing business to cheaper alternatives.

Supply Chain Disruptions Volatile raw material prices can also lead to supply chain disruptions if suppliers are unable to secure consistent and affordable supplies. This inconsistency can result in production delays and missed deadlines, damaging relationships with OEMs and other key clients.

For instance, the outbreak of the Russia-Ukraine war sent the commodities market into a frenzy, as regions that sourced materials from these countries went into panic mode, with surge in input costs and finished product prices for metal and steel products. The surge in export realizations sent domestic prices on a rally as well, thus impacting procurement prices for domestic consumption.

Furthermore, the conflict of Gaza and Israel could escalate further into the wider region, which produces about 35% of the world’s oil export and 14% of gas exports, which in turn can have a wider impact on commodity prices and inflation which can impact manufacturing costs

Skilled Labour Shortage

Skilled labour is one of the most important supply side aspects in the manufacturing sector. Training and retaining skilled workers in areas such as welding, fabricated assembly, surface finishing Industry is a key driving factor for success of any segment of the industry including Metal and Metal specific industry

Thus, inadequate availability of skilled labour can be one of the significant challenges impacting the Fabrication assemblies Industry in India. This shortage can span across various facets, from production to maintenance and innovation, ultimately affecting the industry's growth and global competitiveness.

- Nature of the Shortage: The automotive welding and fabrication assembly sector requires a workforce proficient in welding, assembly and modern manufacturing technologies. The gap between demand and supply of such skilled labour is a monitorable for the success of the industry going forward
- Educational and Training Gaps: The Indian education system and vocational training programs often lag in providing industry-relevant skills. Engineering graduates and technical diploma holders frequently lack hands-on experience with advanced machinery and technologies used in manufacturing of sheet metal and fabricated assemblies
- Attrition and Retention Issues: Skilled workers tend to migrate to sectors offering better compensation and working conditions, such as IT or international opportunities. The high attrition rates further exacerbate the skill shortage within the industrial sector.

- Demographic and Geographic Disparities: There can be a geographical mismatch in the availability of skilled labour. Industrial hubs may struggle to attract talent from regions with a higher concentration of educational institutions due to relocation issues and urban-rural divide.

Technological Obsolescence

Technological obsolescence refers to the phase-out of technologies as newer, more efficient, and advanced technologies emerge. In India's manufacturing sector, technological obsolescence can be a potential challenge, affecting competitiveness, productivity, and innovation capacity.

Traditional processes often involve manual labour and older machinery, which can result in longer production times and higher labour costs. In contrast, Advanced laser cutting and welding technologies provide high precision cutting and welding capabilities, reducing material waste and improving product quality. For example, many global competitors have Industrial robots equipped with advanced welding capabilities automate the welding process, increasing productivity, consistency, and weld quality, a considerable portion of the smaller Indian foundries (MSMEs) still rely on manual operations.

Furthermore, techniques such as computer-aided design (CAD) and computer-aided manufacturing (CAM) systems enable the seamless transfer of design data to fabrication processes, reducing lead times and improving accuracy. allow to produce components with tight tolerances and consistent quality. Without these technologies, smaller Indian manufacturers may struggle to meet the stringent quality standards required by original equipment manufacturers (OEMs), particularly in export markets.

The adoption of CNC-controlled tube bending machines in automated tube bending offer precise bending of complex tubular structures, reducing manual labour and improving accuracy. Advanced electroplating and anodizing techniques provide durable and corrosion-resistant surface finishes, enhancing product aesthetics and longevity for surface finishing. These technological advancements are transforming the manufacturing of sheet metal, tubular, light and heavy fabricated assemblies, and surface finishing, leading to increased productivity, improved quality, reduced costs, and enhanced sustainability.

Policy and Regulatory Challenges

Changes in tax and duties regime

Changes in duties and tax structures present significant threats to the automotive welding, tubular fabrication and fabricated assembly industry. These changes can have multifaceted impacts on cost structures, supply chains, and overall competitiveness.

This threat is particularly significant due to India's evolving tax landscape and the government's periodic adjustments to import duties and other taxes.

For instance, the initial phase of GST implementation saw significant disruption. Many businesses faced challenges adapting to the new tax structure, leading to temporary slowdowns in the manufacturing value chain.

The Indian government periodically revises import duties on raw materials such as steel and aluminium, which are essential. Increased costs due to higher import duties are often difficult to pass on to customers, especially in a highly competitive market. This squeeze on profit margins forces manufacturers to absorb the additional costs, potentially reducing their financial health and capacity to invest in new technologies or expansion.

Hence, changes in duty and tax structures across the automotive value chain pose significant threats by increasing costs, complicating compliance, and creating market instability.

Environmental Regulations

Environmental regulations present a significant challenge for the sheet metal, welding and fabrication Industry in India, impacting manufacturing processes, costs, and compliance requirements. These regulations aim to mitigate environmental degradation and ensure sustainable industrial practices, but they also introduce complexities for manufacturers such as

Stringent Emission Standards: India has implemented several stringent emission standards that directly affect industrial operations. For instance, the Ministry of Environment, Forest and Climate Change (MoEFandCC) has established norms for emissions from industrial plants. Industries are required to adhere to standards for pollutants such as particulate matter, sulphur dioxide, and nitrogen oxides. Failure to comply with these regulations can result in heavy fines and even plant shutdowns. Central and State pollution control boards are generally the nodal agencies/enforcement agencies for compliance of the said norms.

Waste Management and Resource Utilization: Industries are also required to manage their waste effectively. The Hazardous Waste Management Rules mandate that industries properly handle, treat, and dispose of hazardous waste. This includes waste generated during the manufacturing of sheet metal, tubular fabrications and surface finishing, which may contain lubricants and other harmful substances.

Energy Efficiency and Carbon Footprint Reduction: India's National Action Plan on Climate Change (NAPCC) includes missions focused on enhancing energy efficiency and reducing carbon footprints. The Perform Achieve and Trade (PAT) scheme, part of the National Mission for Enhanced Energy Efficiency (NMEEE), covers industries like steel that supply materials for automotive metal products and assemblies. The PAT scheme sets energy consumption targets and encourages industries to adopt energy-efficient technologies.

Compliance and adherence to all these regulations (as well as a few others) often requires significant investments in new technologies and processes by the industry, which if not undertaken in a timely manner can be a challenge for the industry.

Ad hoc changes in policies

A challenge that the industry is facing is frequent changes in policies which makes it difficult for auto industry stakeholders not only to ensure adherence but also commit investments. Overall policy stability and transparency will be required going forward to ensure smooth technology transition and localization in the country.

OUR BUSINESS

*Some of the information in the following section including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" on page 17 for a discussion of the risks and uncertainties related to those statements and the section "**Risk Factors**" beginning on page 32 for a discussion of certain risks that may affect our business, financial condition or results of operations and the "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 321 and 405, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and Metalman Micro Turners on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Metalman Auto Limited on a standalone basis. Metalman Micro Turners, a partnership firm, in which our Company is a partner, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 321. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of market potential for metal and associated components in automotive market" ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated May 21, 2024 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer Further, CRISIL, through their consent letter dated August 10, 2024 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, through their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. For further information, see "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on page 65. Also see "**Certain Conventions, Presentation of Financial, Industry and Market data – Industry and Market Data**" on page 12. The CRISIL Report is available on the website of our Company at www.metalmanauto.com//investors/ until the Bid/Offer Closing Date and has been included as a material document for inspection as disclosed in "**Material Contracts and Documents for Inspection – Material Documents**" on page 502. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

*The following information should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "**Risk Factors**", "**Industry Overview**", "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 32, 139, 321 and 405, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.*

Overview

We are a one stop shop for sheet metal, tubular fabrication, metal finishing and assembly of components for original equipment manufacturers ("**OEMs**") in the automotive and non-automotive sectors. Incorporated in 1986, we are one of the first metal fabrication, metal finishing and assembly companies in India along with the manufacturing processes. (*Source: CRISIL Report*) We are primarily focused on manufacturing metal components for: (i) two-wheeler ("**2Ws**") (including electric vehicles ("**EVs**") and internal combustion engine ("**ICE**")), (ii) three wheelers ("**3Ws**"), (iii) passenger vehicles ("**PVs**"), (iv) commercial vehicles ("**CVs**"), (v) agri-vehicles ("**AVs**") and (vi) off-highway vehicles ("**OHVs**"). We also undertake fabrication and manufacturing of aesthetic-focused components for white body goods (such as front and rear panels and rear covers of washing machines) and contract manufacturing for 2W EV OEMs.

The following table sets forth our revenue from operations across offerings for the Financial Years indicated, including as a percentage of our revenue from operations:

Categories	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
2W – ICE	7,842.46	52.02%	4,980.09	47.41%	5,993.54	58.15%
2W – EV	694.90	4.61%	865.20	8.24%	82.47	0.80%
3W	937.17	6.22%	726.28	6.92%	706.88	6.86%
PV	562.82	3.73%	336.44	3.20%	246.73	2.39%
CV	221.72	1.47%	0.35	Negligible	Nil	Nil
AV	40.13	0.27%	32.64	0.31%	48.57	0.47%
OHV	1,623.91	10.77%	1,410.99	13.43%	1,157.41	11.23%
Others*	3,152.86	20.91%	2,151.92	20.49%	2,072.00	20.10%
Total	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.60**	**100.00%**

** Others comprises revenue from consumer durables, trading and tool and die, sale of services, export incentive, scrap sales and solar power*

Our portfolio of offerings of automotive and non-automotive components caters to a diversified customer base across 2W, 3W, PV, CV, AV and OHV categories. Further, we have also recently extended our offerings to EVs in the 2W category in Financial Year 2020. A significant portion of our offerings in automotive sector for 2W category are powertrain agnostic catering to EV as well as ICE OEMs and encompass a range of automotive components designed to meet diverse customer needs across powertrain options. Our ability to cater to both EV and ICE offerings by automotive OEMs insulate us to an extent against transition in industry trends towards any particular sector, and positions us to leverage growth in the CV category. Further, the OHV category is expected to grow at 10% to 12% by Financial Year 2029. (*Source: CRISIL Report*) We entered the OHV category in Financial Year 2007 and have continued to have a presence in this growing category, which we intend to leverage as part of our strategies for business growth. See "***- Our Strategies - Capitalising on growth in the off-highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix***" on page 263.

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in Financial Year 2024. Two-wheeler sales constituted 73% of the total auto market comprising 2Ws, 3Ws, PV, CV and AVs by volume in Financial Year 2024. CRISIL MI&A expects the automotive component market size to grow at 9-11% CAGR between Financial Year 2024 and 2029 to reach ₹ 8,500-9,000 billion. In the last 15 years, domestic 2W industry has grown at a CAGR of 6.2% and reached a volume of ₹18.4 million in Fiscal 2024. 2W industry sales are projected to grow at a CAGR of 6 to 8% and reach volumes of 25 to 27 million by Financial Year 2029. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR.The OHV sector grew 24% in volume terms in Financial Year2024. The OHV industry is expected to grow at 10 to 12% over the next 5 years with overall sales volumes expected to reach approximately 170-180k by Financial Year 2029. CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3 to 5% between Financial Years 2024 and 2029. Further, domestic tractor sales are projected to expand at 4 to 6% CAGR during Financial Years 2024 to 2029. The domestic passenger vehicle industry grew at a 5% CAGR during Financial Years 2019 to 2024 period. CRISIL MI&A expects the passenger vehicle industry to clock 4.5 to 6.5% CAGR between Financial Year 2024 to Financial Year 2029 period to reach 5.2-5.7 million domestic vehicle sales. (*Source: CRISIL Report*)

The following table sets forth our offerings across categories and the key customers we cater to:

Categories	Description	Key Products	Customers
2W	EV - Scooters	Frame and sub-frame, handle bars, swing arm, saree guard, foot step, battery tray, main stand, side stand and crash protectors.	– Hero MotoCorp Limited ("**Hero MotoCorp**") – TVS Motor Company Limited ("**TVS**")

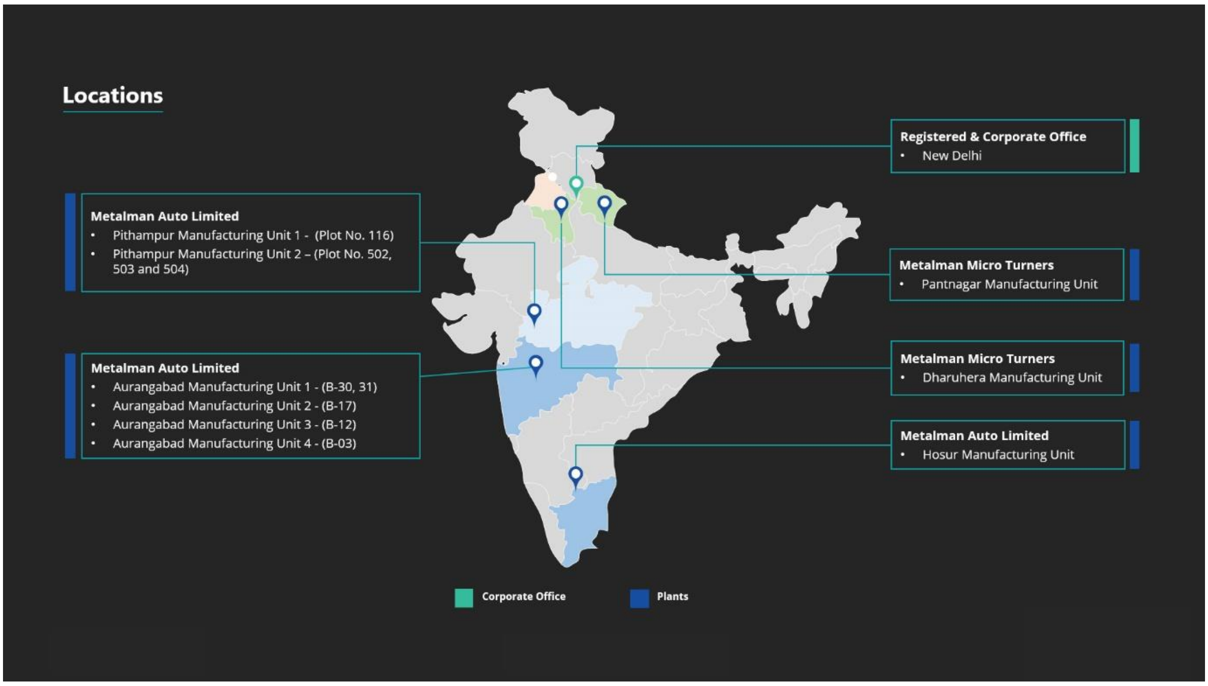
Categories	Description	Key Products	Customers
			– Ather Energy Limited ("**Ather**") – Gogoro India Private Limited ("**Gogoro**")
	ICE – Motorcycles and Scooters	Frame, handle bars, chain case, swing arm, saree guard, mufflers, foot step, engine cradle, wheel rims, main stand, side stand and crash protectors.	– Bajaj Auto Limited ("**Bajaj**") – Hero MotoCorp – TVS – Honda Motorcycle & Scooter India Private Limited ("**Honda**")
3W	Passenger three wheeler carriers and three wheeler goods carriers	Windshields, driver cabins, mud guards, cabin doors, and floor boards	– Bajaj
PV	Passenger four wheelers	Seat frames and torsion links	– SC Sumiriko Avs Romania SRL ("**SumiRiko**")
CV	Trucks	Deep drawn parts (such as oil pans and hub caps) and bracketry components (such as air cleaner mounting brackets and fuel tank brackets)	-
AV	Tractors	Tubular door handles, half-cabins, full cabins, and roll-over protection systems assembly	– International Tractors Limited – Mahindra and Mahindra
OHV	Mining equipment, all-terrain vehicles ("**ATVs**"), construction and earth-moving equipment, material handling equipment	Driver cabins, booms, buckets (including dipstick buckets), loader arms, track frames, hoods, canopies, tensioners, and bracketry components	– Case New Holland Construction Equipment (India) Private Limited ("**CNH**") – LiuGong India Private Limited – Epiroc Mining India Limited – JCB India Limited – Michelin – Normet India Private Limited – Terex India Private Limited
Others	White body goods	Front and rear panels and rear covers for washing machines	-

In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contributed to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM in India, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM in India, Bajaj, in Financial Year 2024. In Financial year 2024, one out of every four high speed EV scooters sold in the India, one out of every five 2W motorcycles exported from the country and one out of every 10 2W sold in the India was fitted with frames/chassis manufactured by us thereby, establishing our position as a supplier in the 2W segment. (*Source: CRISIL Report*)

In addition to our customers in India, our Company also caters to customers overseas in USA, Canada, Brazil, Chile, Germany, Italy, Sri Lanka, Thailand, Finland, Romania, France and Taiwan, in the 2W, PV and OHV categories through export of components such as main stand, side stand, handle bars, foot brake levers for 2Ws and connecting link rods for PVs and tensioner assemblies and agri-pads for OHVs. As on the date of this Draft Red Herring Prospectus, we have entered into three third party warehousing arrangements on a vendor managed inventory ("**VMI**") basis to service our customers in Romania, Germany and USA. The following table sets forth our revenue from operations in India and overseas, including as a percentage of our revenue from operations:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
India	14,441.99	95.79%	9,850.40	93.78%	9,895.85	96.01%
Outside India	633.98	4.21%	653.51	6.22%	411.73	3.99%
Revenue from Operations	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.58**	**100.00%**

We are an engineering process focused Company with nine manufacturing units (seven operated by us and two operated through Metalman Micro Turners) across five states in India, which are strategically located in close proximity to our OEM customers. Further, we also intend to expand our manufacturing capabilities by increasing our manufacturing capacity at Pithampur Manufacturing Unit 2 by purchase of plant and machinery. See "***Objects of the Offer – Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2***" on page 109.



Our manufacturing process is significantly automated through use of 493 welding robots as of June 30, 2024, and the Company is currently transitioning towards intelligent automated welding lines with artificial intelligence ("**AI**")/machine learning ("**ML**") capabilities, which enable us to undertake robotic inspection of products and enhance detection and prevention of defects in our production lines. Automation in our manufacturing process is further complemented by the use of supervisory control and data acquisition ("**SCADA**") and utilize in-house developed special programmes BI modules, which enable monitoring usage of resources and control of product quality on a real-time basis. We believe that through automation, we seek to streamline workflows, reduce lead times, and maintain quality standards across the product life-cycle for our portfolio of offerings, thereby ensuring a lean manufacturing process, in order to improve our cost and time efficiency. Further, our Company has established a dedicated department, the engineering centre of excellence in New Delhi, wherein we collaborate with our customers for new products from the ideation stage itself, with the aim of streamlining and enhancing the efficiency of production lines for such products, with the ultimate objective of managing costs. This enables us to benchmark existing products of our customers, and co-create new and existing components, including by reverse engineering products using simulation software and our in-house design capabilities.

Founded by Navneet Jairath, our Managing Director and Bikramjit Bembi, our Chairman and Whole-Time Director, in 1986, our Company began its journey with offering fabrication and plating of components for the 2W sector out of our Pithampur Manufacturing Unit 1 in 1988. Further, in 2007 we entered in the OHV category, the CV category in 2012, and in 2020 entered the 2W EV segment and established our newest manufacturing facility, Aurangabad Manufacturing Unit 4 and increased our stake in Metalman Micro Turners in Financial Year 2023. A graphical representation of our evolution and journey is set forth below:

2024

- Entered into logistics service agreement with Transsellar GmbH to service our customers in Germany.
- Increased our stake in Metalman Micro Turners

2023

- Established our manufacturing facility, Aurangabad Manufacturing Unit 4 situated at Plot No. B-03, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.

2020

- Entered into logistics service agreement with S.C. Cargo-Partner Expeditii SRL to service our customers in Romania
- Entered into the 2W Electric Vehicle (EV) Category

2019

- Commenced manufacturing activities at our manufacturing facility, Pithampur Manufacturing Unit 2 situated at Plot No. 502, 503 and 504 Industrial Growth Centre Pithampur, Sector-3, District-Dhar, District Dhar 431 136, Madhya Pradesh, India.

2018

- Commenced manufacturing activities at our manufacturing facility, Hosur Manufacturing Unit situated at Survey Nos. 477, 478, 476, 473, and 475/1, in Mathi Giri Village of Hosur Taluk, Kela Mangalam, District Krishna Giri, Tamil Nadu, India.

2014

- Entered into the Agricultural Vehicle (AV) category

2013

- Commenced manufacturing activities at our manufacturing facility, Aurangabad Manufacturing Unit 3 situated at Plot No. B-12 (Part-1), Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India. category

2011

- Commenced manufacturing at our manufacturing facility, Aurangabad Manufacturing Unit 2 situated at Plot No. B-17, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
- Entered into the Three Wheeler (3W) category
- Entered into the Commercial Vehicle (CV) category

2009

- Entered into the Passenger Vehicle (PV) category

2007

- Entered into the OHV category

1998

- Commenced manufacturing facilities at our manufacturing facility, Aurangabad Manufacturing Unit 1 situated at B-30, 31 Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.

1988

- Commenced manufacturing activities at our manufacturing facility, Pithampur Manufacturing Unit 1 situated at Plot No. 116, Industrial Growth Centre Pithampur, Sector-3, District Dhar 431 136, Madhya Pradesh, India.
- Entered into the 2W category with offering fabrication and plating of components.

We have integrated technology into our engineering process and developed certain processes for which we have patent registrations on which we have relied on to achieve experience and know-how in various metal fabrication and finishing processes such as robotic welding, computer numerical control ("**CNC**") tube bending, SPM welding, press shop, surface finishing, machine shop, tool room, laser and gas cutting, press brake, and tube notching.

We attribute our evolution and growth in revenue and profitability in part to our technology-led engineering processes, continuing innovation and our established relationships with our customers, and the guidance of our founders Navneet Jairath and Bikramjit Bembi and Whole-Time Directors, Nishant Jairath and Sachin Bembi, supported by a professional and experienced leadership team. See "***Our Management***" beginning on page 298. Set forth below are certain key financial metrics relevant to our business:

Particulars	**As at and or for the Financial Year ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations (₹ in million)(1)	15,075.97	10,503.91	10,307.58
Revenue growth (%)(2)	43.53	1.90	51.16
EBITDA (₹ in million)(3)	1,317.20	1,178.42	874.70
EBITDA Margin (%)(4)	8.65	10.78	8.44
Profit after tax for the year ("PAT") (₹ in millions) (5)	500.04	631.11	349.64
PAT Margin (%)(6)	3.28	5.78	3.37
Net debt to EBITDA ration (in times) (7)	2.34	2.48	2.11
Return on equity (ROE) (%)(8)	16.34	25.33	17.27
Return on capital employed (RoCE)(%) (9)	15.55	18.43	16.02
Cash conversion cycle (in days) (10)	35	41	34
Fixed assets turnover ratio (in times) (11)	3.34	2.37	3.92

Notes:

(1) *Revenue from Operations means the revenue from operations for the year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year ("PAT") as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money).*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days are calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days are calculated as Trade payable divided by Revenue from operations multiplied by 365 days.*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by property, plant and equipment.*

We have received awards for quality, digitisation, performance, delivery and financial management from our customers. See "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 294.

Our Strengths

Key player in the metal fabrication, metal finishing and assembly industry, characterized by high industry barriers

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in Financial Year 2024. Two-wheeler sales constituted 73% of the total auto market comprising 2Ws, 3Ws, PV, CV and AVs by volume in Financial Year 2024. The 2W industry sales are projected to grow at a CAGR of 6 to 8% and reach volumes of 25 to 27 million by Financial Year 2029. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029. Industry growth will be driven by the EV sector which is projected to clock a healthy CAGR of 40 to 45% over the long term. India is the 3W market in the world, with domestic sales of 0.75 million units in Financial Year 2024. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR and the goods segment which is projected to record a CAGR of. 5 to 7%. The PV category contributed around 17% to the Indian auto industry while CVs contributed about 4% and 3W and

AVs contributed 3% each. Further, India is the largest 3W market in the world, with domestic sales of 0.75 million units in Financial Year 2024. Further in the OHV category, the United States and Europe market was valued at USD 92.51 billion in Financial Year 2023 and is projected to grow to USD 132.55 billion by Financial Year 2029, registering a CAGR of 7.08% in terms of revenue during this period. Indian OHVs have a large presence of global OHV OEMs alongside domestic players, which has led to implementing of the 'State-of-the-Art' manufacturing technologies, which are at par with the world. (*Source: CRISIL Report*)

In the automotive sector, in Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM, Bajaj, in Financial Year 2024. With our powertrain agnostic offerings we serve both 2W EVs and 2W ICE OEM customers. In Financial year 2024, one out of every four high speed EV scooters sold in the India, one out of every five 2W motorcycles exported from the country and one out of every 10 2W sold in the India was fitted with frames/chassis manufactured by us thereby, establishing our position as a supplier in the 2W segment. (*Source: CRISIL Report*) Our Company experienced a growth of 43.53% in terms of revenue from operations during the Financial Year 2024 from the Financial Year 2023 and our revenue from operations has grown at a CAGR of 20.94% from ₹10,307.58 million in Fiscal 2022 to ₹15,075.97 million in Fiscal 2024.

The metal fabrication, metal finishing and assembly industry requires high capital investments and establishing reliable supply chains for raw materials, components, and tooling. Further, the industry is rapidly adopting advanced technologies, such as laser cutting, automated welding, and robotics and keeping up with these advancements requires continuous investment and training. In addition, the OEMs are generally sticky to their component manufacturers as once the vendor is onboarded, they maintain a long-term relationship as the entire process includes multiple steps of testing, product fit which is extensive, expensive and time consuming. Due to the capital-intensive nature of our business, coupled with the heavy dependence on complex technology, machinery and systems, the market may be difficult for new entrants to encroach upon, due to its high entry barriers. (*Source: CRISIL Report*) As a result of our market position, significantly automated and technologically driven manufacturing process, established customer relationships, extensive product portfolio and comprehensive metal fabrication and metal finishing capabilities we have been able to establish relationships with key customers in the automotive and non automotive sectors, and accordingly develop our presence across product categories.

One stop shop for metal fabrication, metal finishing and assembly capabilities with an extensive product portfolio

We are one of the few players in the industry which is a one stop shop for sheet metal and tubular fabrication, metal finishing and assembly of components for OEMs in the automotive and non-automotive sectors. (*Source: CRISIL Report*). We have a portfolio of offerings of automotive and non-automotive components catering to a diversified customer base across 2W, 3W, PV, CV, AV and OHV categories. Further, we also extended our offerings to EVs in the 2W category in Financial Year 2020. A significant portion of our offerings in automotive sector for 2W category are powertrain agnostic catering to EV as well as ICE automotive OEMs and encompass a range of automotive components designed to meet diverse customer needs across powertrain options. Seeking to capitalize on growth of adoption of aluminium towards lightweighting of components, we have also recently forayed into fabrication and assembly of aluminium components for the automotive sector with main stands for 2W category. See "***- Our Products***" on page 266. Set out below is a breakdown of the revenue contribution from sales of products and labour earned during the three preceding Financial Years:

Particulars	**Financial Year**					
	2024		**2023**		**2022**	
	Revenue contribution (in ₹ million)	***% of Total Revenue from Operations***	***Revenue contribution (in ₹ million)***	***% of Total Revenue from Operations***	***Revenue contribution (in ₹ million)***	***% of Total Revenue from Operations***
Sale of products	14,177.14	94.04%	9,745.34	92.78%	9,589.40	93.03%
Sale of services	612.71	4.06%	516.10	4.91%	516.17	5.01%
Total	**14,789.85**	**98.10%**	**10,261.44**	**97.69%**	**10,105.57**	**98.04%**

Notes:

1. *Revenue from sale of products comprises revenue from sale of products.*
2. *Revenue from sale of services represents revenue from metal finishing, assembly and contract manufacturing services provided by us.*

Our manufacturing units are equipped with plant and machinery and equipment to cater to an extensive range of fabrication requirements of our customers, including welding, stamping presses, CNC tube bending, roll forming, laser and plasma cutting, and machining. In addition, we have also deployed certain in-house developed special purpose machinery to enable specific welding, machining and bending operations. Further, our manufacturing units have metal finishing capabilities for surface treatment operations, including cathodic electrodeposition ("**CED**") painting, powder coating, plating and liquid painting. We employ cold metal transfer welding, which allows for precision low-heat welding (suitable for thin materials, minimizing spatter and distortion). In metal finishing, we have integrated metal recovery systems to reclaim and reuse valuable metals, reducing waste and improving sustainability. See "***- Our Strengths - Technology-enabled manufacturing process with significant degree of automation, bolstered by internet of things and artificial intelligence/machine learning***" on page 259.

Further, our Company has established a dedicated department, the engineering centre of excellence in New Delhi, Delhi, India wherein we collaborate with our customers from the ideation stage for new products, with the aim of streamlining and enhancing the efficiency of production lines for such products, thereby seeking to maintain costs. Before commencement of manufacturing, we conduct extensive feasibility analyses to identify potential challenges and optimizing the design for cost-effectiveness and efficiency in production. Through advanced simulations and prototyping, we validate design concepts to ascertain that they are feasible and meet all technical requirements. This enables us to benchmark existing products of our customers, and co-create new and existing components, including by reverse engineering products using simulation software and our in-house design capabilities. Our collaborative approach aims to ensure that our components align with the design and functionality expectations of our customers, and deliver products customized to their requirements, as per processes that we identify in collaboration with them, with a focus on time and cost efficiency. Our significant experience and know-how in metal fabrication, metal finishing and assembly enables us to address customer expectations in terms of functionality, aesthetics, and manufacturing feasibility. We aim to leverage such integration with our customers to deepen our relationships with them. We also prioritize continual communication, responsiveness to customer needs, and flexibility to accommodate design iterations and changes in our production processes, which also allows us to respond quickly to changes in requirements and production schedules.

Our involvement in contract manufacturing is intended to allow for backward integration into component manufacturing. We are involved in assessing feasibility, adapting designs, developing local suppliers, and ensuring OEM standards through prototyping, pilot production, testing, and mass production. Through this, we seek to enhance our control over the production process, and overall production quality and efficiency.

We have also implemented renewable sources of power in our 8 of our 9 manufacturing units by installing rooftop solar panels at these manufacturing units. In addition, we operate a captive 1 MW solar power plant at Solapur, Maharashtra, India, which is dedicated to generating clean energy to support our manufacturing units in Maharashtra, thereby offsetting our carbon footprint. Our manufacturing operations are supported by our established relationships with a sizeable and diversified vendor base (primarily domestic) for our key raw materials, including steel, bought out parts, packaging material, nickel, argon, carbon dioxide ("**CO2**") gas, paint and wires. We have focused on establishing direct linkages with the raw material producers, as opposed to distributors or brokers, which we rely on to reduce lead time for supply, enhance control over quality and maintain cost. Raw materials are planned and procured based on production schedules. This involves coordinating with suppliers to ensure the timely delivery of materials in the necessary quantities.

Given our manufacturing units have been established in strategic proximity to our customers, we benefit from time and cost savings in the distribution of our products, which we undertake primarily through our in-house fleet of trucks housed at certain of our manufacturing units, as well as our identified network of third party transportation service providers. We operate our overseas operations through an export shipping model and through established VMI warehouses in Romania, Germany and USA. Orders from our overseas customers are received at our manufacturing units in Aurangabad and Pithampur and are transported to OEMs primarily through marine transit.

Our manufacturing operations accordingly provide us with a degree of strategic control across key processes from design and engineering to manufacture, to installation and delivery of our products at our customers' sites, which in turn assists us in our endeavours to execute orders in a time and cost-efficient manner and reduce external dependencies.

Technology-enabled manufacturing process with significant degree of automation, bolstered by internet of things and artificial intelligence/machine learning

We have been able to integrate technology into our manufacturing process and have adopted Industry 4.0: technology enabled and robotics integrated, smart manufacturing processes. We leverage AI/ML and IoT towards enhancing precision, efficiency, and scalability in our production operations in order to meet the evolving demands of our customers. Through use of robots/automation, we aim to streamline workflows and production schedules, predict maintenance requirements, reduce lead times, and maintain consistency in quality standards across our entire range of offerings. Further, our focus on automation, by enabling production of multiple products on the same production line, eliminates multiple operators, enabling minimal change-over time requirements, and thereby contributing to our ability to respond to market demands and adapt to changing customer requirements by scaling our production capacity in a streamlined manner.

We use SCADA and utilize in-house developed special programmes BI modules for real-time monitoring of the manufacturing process and controlling of our manufacturing efficiency. We also incorporate patented IoT-driven data-collection features in our production processes, which enable us to gain real-time insights into production flow and downtime, time and cost analysis of manufacturing, inefficiencies in usage of labour and resources, product quality, auto-generate reports and leverage such data analytics to implement auto-correction and auto-feedback measures, with minimal human intervention, thereby contributing towards our ability to maintain costs and consistency in quality. This in turn, improves our efficiency and operations and assists us to streamline our manufacturing process and to achieve lean manufacturing. We are further able to share quality-related data insights we collect as part of our manufacturing process with our customers (including on a real-time basis) which we rely on to deepen our customer relationships and add value to our offerings.

In addition, our manufacturing units are equipped with technology and equipment for, among others, welding, stamping presses, CNC tube bending, roll forming, laser and plasma cutting, machining, automated multiple surface finishing plants such as CED painting, powder coating, plating and liquid painting. We employ cold metal transfer welding, which allows for precision low-heat welding (suitable for thin materials, minimizing spatter and distortion). In metal finishing, we have installed metal recovery systems to efficiently reclaim and reuse valuable metals, reducing waste and improving sustainability.

Further, we use Factory Talk SCADA for monitoring and analysis of data insights collected from robotics and allied machinery at our manufacturing units, SAP S4Hana for enterprise resource management (supply chain management from purchase to delivery, raw material management, financial accounting, production management, quality assurance, invoicing), Tableau for Business (for real time data reporting from various applications), Peoples HR for human resource management systems ("**HRMS**"); Labourworks for contract labor management; Happay for expense management; Faveo Service Desk for enterprise service desk for employee workflow management The various technological facilities available at our engineering centre of excellence in New Delhi include: 3D modeling software (such as PRO-E, UG-NX, Auto CAD, CATIA, Creo and Solid works), simulation software (such as Altair), 3D laser scanner (such as Poly works, Portable CMM-FARO) etc.

Our manufacturing units have various metal recovery systems. As of the date of this Draft Red Herring Prospectus, we have two patent applications and nine granted patents for various manufacturing processes, including in relation to process optimization, reducing environmental impact and safety innovation. See "– ***Intellectual Property***" on page 285.

Long-standing customer relationships with established automotive and non automotive original equipment manufacturers

Our experience in metal fabrication, metal finishing and assembly, and technologically-driven operations and innovation led engineering processes have contributed significantly to our efforts to establish relationships with our customers. Globally, our customers include OEMs such as BMW AG Berlin, CNH and SumiRiko. In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We have been established customer relationships and supply to 2W OEMs in India such as Bajaj, Hero MotoCorp, Honda and TVS and supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM, Bajaj, in Financial Year 2024.

The table below sets forth the revenue derived from our top 10 customers (determined based on revenue derived from such customers in Financial Year 2024), as well as our single largest customer for the Financial Years stated:

Particulars*	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Bajaj	4,455.54	29.55	2,287.56	21.78	3,046.94	29.56
TVS	2,484.86	16.48	3,447.23	32.82	3,125.18	30.32
Hero Moto Corp	1,421.35	9.43	54.96	0.52	0.91	0.01
CNH	1,101.58	7.31	1,199.89	11.42	1,001.19	9.71
Honda	362.83	2.41	11.31	0.11	0.01	Negligible
SumiRiko	335.69	2.23	300.94	2.87	217.37	2.11
Luminaz Safety Glass Private Limited	300.34	1.99	248.17	2.36	61.01	0.59
Customer 8	221.72	1.47	0.35	Negligible	Nil	Nil
Customer 9	212.10	1.41	0.82	0.01	Nil	Nil
Ather	174.58	1.16	218.12	2.08	50.47	0.49
Total revenue from top ten customers	**11,070.60**	**73.43**	**7,769.35**	**73.97**	**7,503.10**	**72.79**
Revenue from our single largest customer	**4,455.54**	**29.55**	**2,287.56**	**21.78**	**3,046.94**	**29.56**

**We have disclosed the names of our customers to the extent consent for disclosure of their names was provided to us by such customers.*

We have long-standing relationships with majority of our top 10 customers, with our largest customer having been associated with us for over 25 years, four of our top 10 customers having been associated with us for over 10 years and three of our top 10 customers having been associated with us over five years, as detailed below:

S. No.	Name or description of the customer	Number of years of customer relationship as of March 31, 2024
1.	Bajaj	26
2.	TVS	7
3.	Hero Moto Corp	7
4.	CNH (India)	17
5.	Honda	1
6.	SumiRiko	15
7.	Luminaz Safety Glass Private Limited	12
8.	Customer 8	7
9.	Customer 9	11
10.	Ather	3

Our manufacturing units are strategically located across India in proximity to key OEM customers, enabling us to engage in greater customer interaction and respond quickly to their needs. Further, customers have a tendency to continue operations with us as migration to newer manufacturers is a time-taking and expensive process. (*Source: CRISIL Report*) See "***– Manufacturing units***" on page 272. In the past, we have also engaged with our OEM customers at the ideation stage, and collaborated with them on designing their products. This enables them to streamline their production process by directly working with vendors and allows us to gauge the production lifetime wherein we have to customize our manufacturing process to tailor a specific OEM customer's needs. To support our customers throughout their engagement with us, we have established a dedicated project management team, which is housed out of our Registered and Corporate Office, and is entrusted with overseeing the entire customer relationship from receipt of request for quotation from the customers, to commencement of production.

We have received awards for quality, delivery, and financial management from our customers. See "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 294.

Demonstrated track record of financial performance and growth

Our revenue from operations has grown at a CAGR of 20.94% from ₹10,307.58 million in Fiscal 2022 to ₹15,075.97 million in Fiscal 2024, demonstrating growth in our financial performance in recent years, and positioning us for future growth and further diversification of our customer base and offerings. The table below sets forth certain financial information for the Fiscals stated:

Particulars	As at and or for the Financial Year ended March 31,		
	2024	2023	2022
Revenue from operations (₹ in million)[1]	15,075.97	10,503.91	10,307.58
Revenue growth (%)[2]	43.53	1.90	51.16
EBITDA (₹ in million)[3]	1,317.20	1,178.42	874.70
EBITDA Margin (%)[4]	8.65	10.78	8.44
Profit after tax for the year ("PAT") (₹ in millions) [5]	500.04	631.11	349.64
PAT Margin (%)[6]	3.28	5.78	3.37
Net debt to EBITDA ration (in times) [7]	2.34	2.48	2.11
Return on equity (ROE) (%)[8]	16.34	25.33	17.27
Return on capital employed (RoCE)(%) [9]	15.55	18.43	16.02
Cash conversion cycle (in days) [10]	35	41	34
Fixed assets turnover ratio (in times) [11]	3.34	2.37	3.92

Notes:

(1) *Revenue from Operations means the revenue from operations for the year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year ("PAT") as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money).*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days are calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days are calculated as Trade payable divided by Revenue from operations multiplied by 365 days.*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by property, plant and equipment.*

Our financial performance has been driven by our ability to continue to maintain and increase our customer base by leveraging our existing relationships with customers, and our continuing efforts in enhancing cost and time efficiency in our design process through our focus on technological initiatives including automation and IoT. See "***Management's Discussion and Analysis of Financial Conditions and Results of Operations – Significant Factors Affecting our Results of Operations***" on page 410.

Experienced management and qualified workforce

We are led by our Promoters, Navneet Jairath, our Managing Director, Bikramjit Bembi, our Chairman and Whole-Time Director, Nishant Jairath, Whole-Time Director and Sachin Bembi, Whole-Time Director, under whose leadership and guidance we have been able to establish ourselves as a market leading precision crafting company in the automotive industry. Our experienced Board of Directors, Key Managerial Personnel and members of Senior Management comprise professionals with knowledge, understanding and experience in the automotive industry. Our Managing Director has completed the industrial entrepreneurship course conducted by Small Industries Service Institute, Small Scale Industries Development Organization, Ministry of Industrial Development, Government of India and the Program on Production Management for India (IDPM-2) conducted by the Association for Overseas Technical Scholarship, Japan and has also been awarded the Entrepreneur of the Year award by the Ludhiana Management Association in 2017. Further, our Chairman and Whole-Time Director has been elected a licentiate of the Institute of Metal Finishing. Their experience and guidance in the metal fabrication, metal finishing and assembly industry have contributed to our growth

Our senior management team has played an instrumental role in directing our operational growth with their experience and domain knowledge. For instance, Satish Kumar Pandey, the General Manager – Plant Operations of our Company has passed the examination for bachelor's degree in engineering from Faculty of Engineering and Technology, Nagpur University, Nagpur, Maharashtra, India and also holds a diploma in international welding technology from the International Institute of Welding-ANB, Mukundapur, Kolkata, India. In addition, we have a team of skilled workforce including 238 engineering degree holders, and 272 technical diploma holders, as well as other professionally qualified individuals as of June 30, 2024. Further, as of June 30, 2024, 18% of our workforce comprises women.

Our Strategies

Capitalising on growth in the off-Highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix

Metal products market is expected to grow at 9% to 11% CAGR over the next five years and the TAM is expected to reach ₹ 320-330 billion in India by Financial Year 2029. This trend would be majorly driven by the 2W category followed by OHV category. Almost all vehicle category would log robust production growth over Financial Years 2024 to 2029. The domestic sales of 2W, 3W, PV, CV and OHV is projected to grow at 6% to 8%, 5% to 6%, 5% to 7%, 3% to 5%, and 10% to 12% respectively, over Financial Years 2024 to 2029, driving the OEM category for metal products. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029 and growth will be driven by the EV sector which is projected to clock a healthy CAGR of 40 to 45% over the long term. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR and the goods segment which is projected to record a CAGR of. 5 to 7%. Further in the OHV category, the United States and Europe market was valued at USD 92.51 billion in Financial Year 2023 and is projected to grow to USD 132.55 billion by Financial Year 2029, registering a CAGR of 7.08% in terms of revenue during this period. Indian OHVs have a large presence of global OHV OEMs alongside domestic players, which has led to implementing of the 'State-of-the-Art' manufacturing technologies, which are at par with the world. (*Source: CRISIL Report*)

In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. (*Source: CRISIL Report*) While we supplied our products to each of these top 4 2W OEMs in Financial Year 2024, we propose to leverage our existing established relationships with our OEM customers to expand our product offerings to such OEM customers who shall be increasing product lines in the coming years. Further, we also have long standing relationships with our OHV customers, such as CNH and SumiRiko.

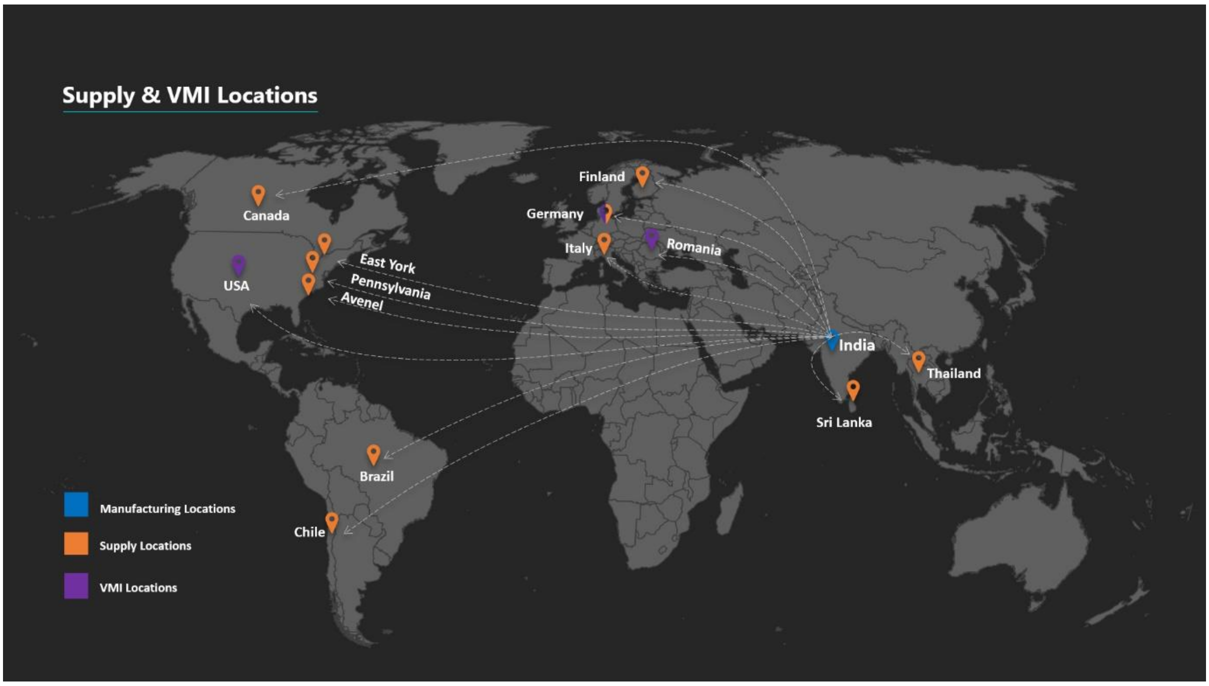
With a demonstrated track record of catering to a spectrum of OEM customers and developing customized manufacturing processes for different automotive and non-automotive sectors, we propose to leverage our manufacturing capabilities to focus on components for OHVs and CVs. Furthermore, our existing product offerings and manufacturing processes in the 2W and 3W categories have multiple applications across the OHV and CV categories as well, such as railways, furniture and infrastructure. Over the years, we have focused on moving up the value chain of complexity and specialization by enhancing our manufacturing capabilities to enhance the precision and efficiency for several of our customers. As our technological capabilities evolve, we intend to increase our focus on further diversifying our product portfolio while also providing more complex process driven components to our customers. We also intend to continue to collaborate on designs with our OEM customers in order to reduce imports which would help us in reducing costs and turn-around time of our manufacturing of products for the Indian market. We already have a diversified portfolio and produce components using stainless steel and aluminium for the 2W category, and intend to explore alternative materials aiming to enhance performance and reduce weight in high-end products.

We intend to leverage our established customer relationships and explore opportunities to grow along the value chain by expanding the suite of our existing offerings across sectors, products and processes and expanding into new product categories such as access systems, material handling, mining equipment, airport ground support equipment. We propose to increase our capacity of our existing manufacturing units by investing in plant and machinery at Pithampur Manufacturing Unit 2, as detailed in "***Objects of the Offer***" on page 107. For our existing OEM customers, we also aim to grow our wallet share by increasing our product offerings to cater to their increasing product portfolio.

Expansion of geographical footprint, including in overseas markets, primarily in the United States of America and Europe

The auto component production (which includes sales to OEMs, exports, and the replacement market) has increased at a CAGR of 7.3% to ₹ 5,328 billion in Financial Year 2024 from ₹ 3,738 billion in Financial Year 2019. While domestic sales are more volatile due to various factors like regulations, fuel prices, economic cycles, etc. that impact the short-term demand, exports and aftermarket help buffer the overall auto-component production growth from similar fluctuations. Further, rising demand for Indian tractors the US and Europe for hobby farming has fuelled demand for lower hp tractors. International tractors limited is the largest player in <30 hp tractors while John Deere leads in >51hp tractors (*Source: CRISIL Report*).

As on the date of this Draft Red Herring Prospectus, we exported our products directly and indirectly through our OEM customers to 10 countries in Financial Year 2024, as illustrated below:



Set forth below are details of our revenue from operations across domestic and global operations, including as a percentage of our Revenue from Operations:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
India	14,441.99	95.79%	9,850.40	93.78%	9,895.85	96.01%
Outside India	633.98	4.21%	653.51	6.22%	411.73	3.99%
Revenue from Operations	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.58**	**100.00%**

We operate our international operations through an export shipping model and through VMI arrangements in Romania, Germany and United States of America. Orders from our overseas customers are processed at our respective manufacturing units and are transported to the location of OEMs via shipping routes. Further, at our VMI locations at Romania, Germany and United States of America management of orders and inventory is done by us. We intend to enter new markets by leveraging our existing relationships with customers outside India. Our export customers include BMW AG Berlin, CNH and SumiRiko. Our revenue from operations from outside India, has grown at a CAGR of 24.09% from ₹411.73 million in Fiscal 2022 to ₹633.98 million in Fiscal 2024, demonstrating a track record of growth. We are focused on increasing our export revenues by expansion into the OHV and CV category and leveraging our relationship with existing customers to increase our global presence across our existing portfolio of 2W and 3W categories.

Improve efficiency by investing in technology, including for alternative materials and upskilling

We attribute our growth in revenue and profitability in part to our technology led engineering processes. Our automated manufacturing process is at the forefront of innovation in the automotive component industry, allowing us to meet the evolving demands of our customers. Our technology led engineering processes has enabled us to quantify a typically mechanical process of manufacturing into readily available data thereby allowing us to focus on customer retention and optimisation of revenue. We propose to invest in our technological capabilities, including in particular our automation levels, including by acquiring and deploying specialized robots for automated welding of components with higher thickness at certain of our manufacturing units, and transitioning to completely automated welding of driver cabins.

Lightweighting is a crucial aspect for the transport sector in improving vehicle performance, energy efficiency and emissions, and making safer vehicles. Replacing cast iron and traditional steel components with lightweight materials can directly reduce the weight of a vehicle's body and chassis and therefore reduce a vehicle's fuel consumption increasing efficiency. With EVs penetration increasing, application of lightweight materials in automobiles is expected to grow as the use of these materials would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers. Lightweighting has always been a point of focus for both ICE vehicle and EV manufacturers. Companies are using components made from aluminium, composites and plastics by improving the properties of these components to match application needs while keeping the weight low. (*Source: CRISIL Report*) We further intend to invest in specialized welding technology for the manufacture of aluminium components such as extruded aluminium wheel rims for motorcycles (which are currently not manufactured in India (*Source: CRISIL Report*), alternative manufacturing processes (intended to reduce cost of production and provide additional export opportunities) for hydro-formed alum aluminium inum handlebars for high-end motorcycles.

Given our emphasis on precision, process expertise and skill to operate complicated machinery, our skilled workforce is instrumental to our operations. We rely on their proficiency in operating advanced machinery, interpreting engineering drawings, and implementing best practices in manufacturing processes to manufacture components in accordance with our customers' expectations. As of March 31, 2024, our skilled workforce (i.e., workforce excluding shop-floor personnel) comprised 230 engineering graduates, which represented 18.88% of our workforce. We intend to invest in upskilling our current workforce through various programmes, such as through the Metalman Auto Assessment and Development Center ("**Metalman ADC**"), our associate training program and through learning and development for our white collared employees. See "***- Human Resources and Employee training***" on page 283. Our expenditure towards upskilling and employee training programs in the last three Financial Years:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	***% of total expenses***	***Amount (₹ million)***	***% of total expenses***	***Amount (₹ million)***	***% of total expenses***
Expenses incurred towards training	2.81	0.02%	2.04	0.02%	3.22	0.03%
Total Expenses	**2.81**	**0.02%**	**2.04**	**0.02%**	**3.22**	**0.03%**

Description of Business

Our business primarily comprises sale of automotive and non-automotive components primarily to OEMs in the 2W, 3W, PV, CV, AV and OHV sectors. We also undertake fabrication and manufacturing of aesthetic-centric components for white body goods through our metal fabrication processes and services such as metal finishing and assembly of components for our OEM customers. We have an extensive portfolio of offerings of automotive and non-automotive components catering to a diversified customer base across 2W, 3W, PV, CV, AV and OHV categories providing them manufacturing capabilities, fabrication and metal finishing solutions and assembly operations. We record our revenue from operations under (i) sale of products; and (ii) sale of services. Set out below is a breakdown of the revenue contribution from sales of products and labour earned during the three preceding Financial Years:

Particulars	**Financial Year**					
	2024		**2023**		**2022**	
	Revenue contribution (in ₹ million)	***% of Total Revenue from Operations***	***Revenue contribution (in ₹ million)***	***% of Total Revenue from Operations***	***Revenue contribution (in ₹ million)***	***% of Total Revenue from Operations***
Sale of products	14,177.14	94.04%	9,745.34	92.78%	9,589.40	93.03%
Sale of services	612.71	4.06%	516.10	4.91%	516.17	5.01%
Total	**14,789.85**	**98.10%**	**10,261.44**	**97.69%**	**10,105.57**	**98.04%**

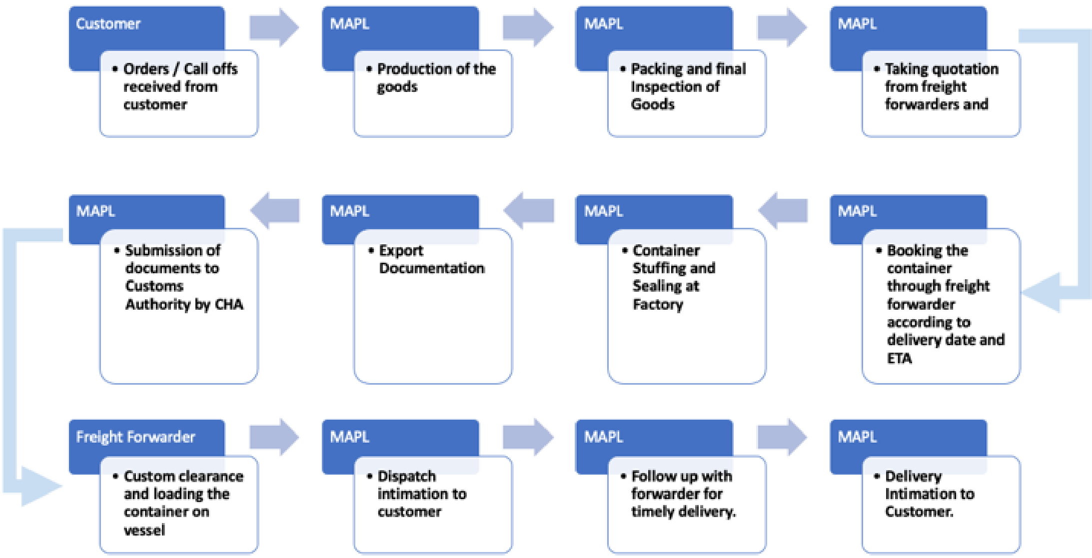
Notes:

1. *Revenue from sale of products comprises revenue from sale of products.*
2. *Revenue from Sale of services represents revenue from metal finishing, assembly and contract manufacturing services provided by us.*

International Operations

We operate our overseas operations through an export shipping model and through established VMI warehouses in Romania, Germany and USA.

Export Process Flow



Orders from our overseas customers are received at our Manufacturing units in Aurangabad and Pithampur and are transported to OEMs, majorly through marine transit. Further, at our VMI Locations at Romania and Germany management of orders and inventory is done by us. Depending on the purchase orders and delivery schedule received from our customers catered to by the respective VMI Location, we supply the products to our customers. The following table sets forth our revenue from operations in India and overseas, including as a percentage of our revenue from operations:

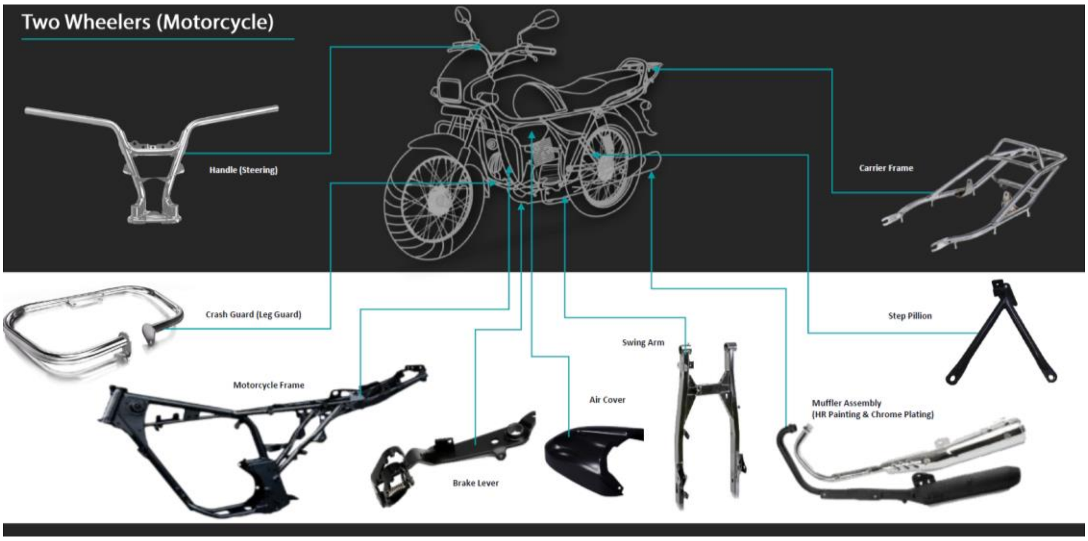
Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
India	14,441.99	95.79%	9,850.40	93.78%	9,895.85	96.01%
Outside India	633.98	4.21%	653.51	6.22%	411.73	3.99%
Revenue from Operations	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.58**	**100.00%**

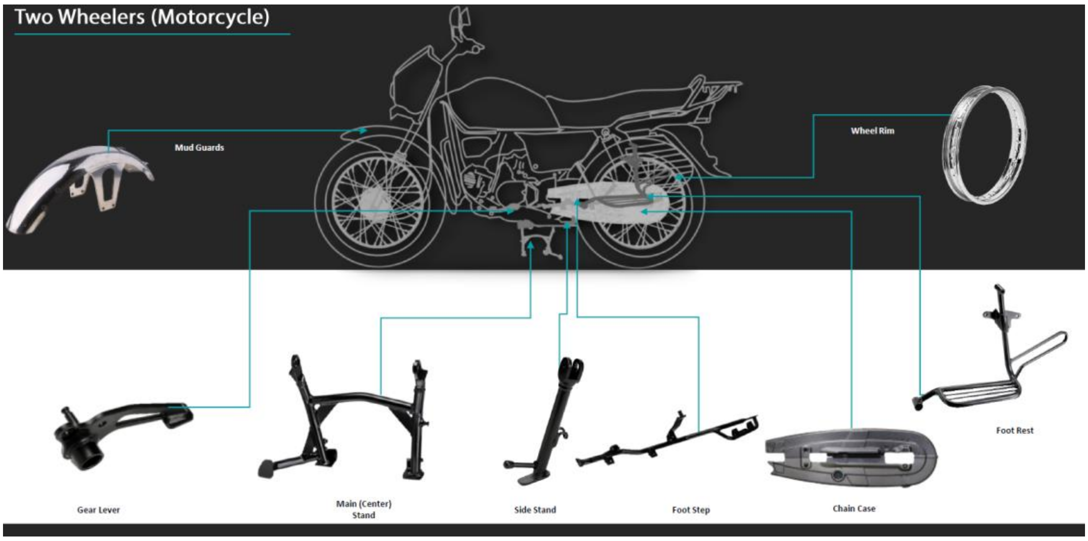
Our products

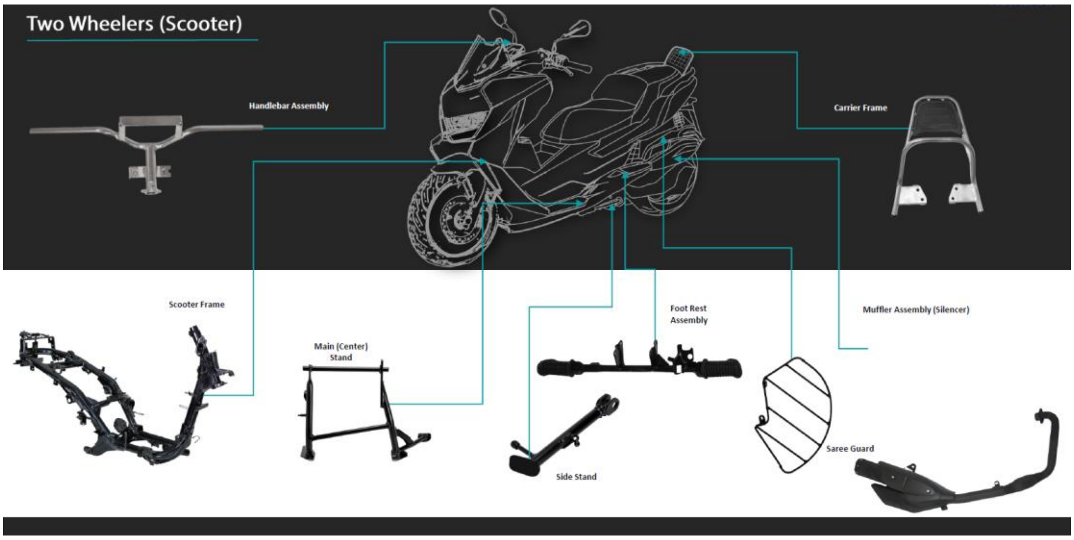
Details of our products, category-wise are set forth below:

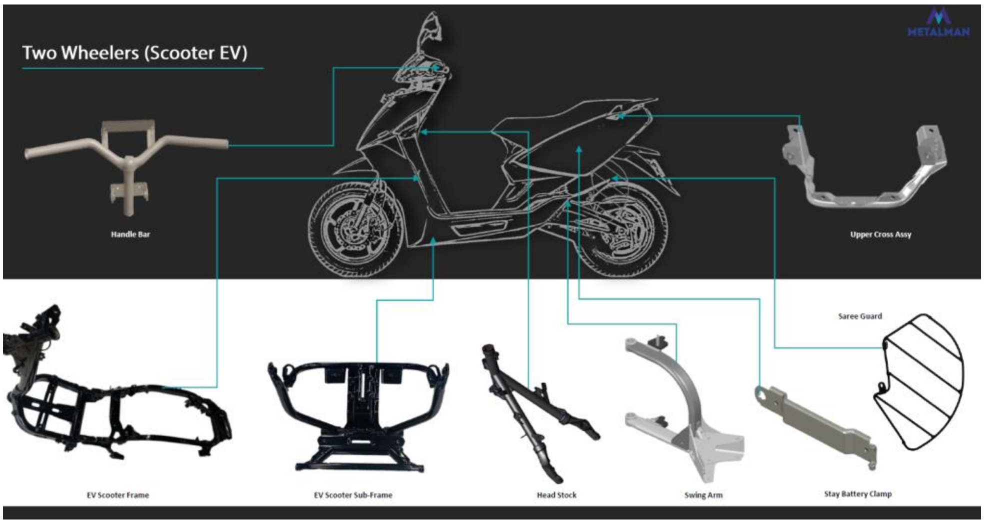
Two Wheelers

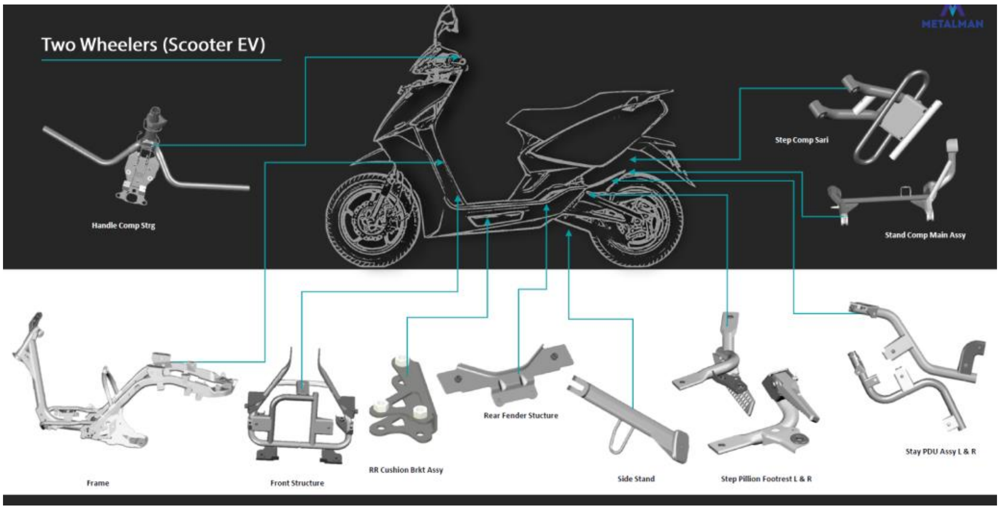
Description	Key Products
Electric Vehicles - Scooters	Frame and sub-frame, handle bars, swing arm, saree guard, foot step, battery tray, main stand (including aluminium main stand), side stand and crash protectors.
Internal Combustion Engine – Motorcycles and Scooters	Frame, handle bars, chain case, swing arm, saree guard, mufflers, foot step, engine cradle, wheel rims, main stand, side stand and crash protectors.


Two Wheelers (Motorcycle)
Handle (Steering)
Carrier Frame
Crash Guard (Leg Guard)
Step Pillion
Swing Arm
Motorcycle Frame
Air Cover
Muffler Assembly
(HR Painting & Chrome Plating)
Brake Lever


Two Wheelers (Motorcycle)
Mud Guards
Wheel Rim
Foot Rest
Gear Lever
Main (Center) Stand
Side Stand
Foot Step
Chain Case

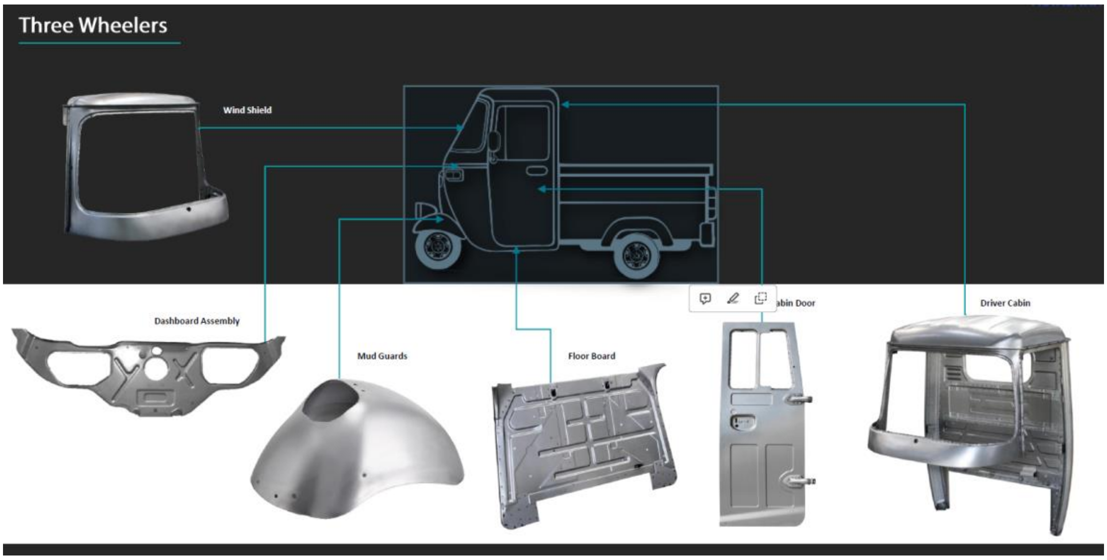

Two Wheelers (Scooter)
Handlebar Assembly
Carrier Frame
Scooter Frame
Foot Rest Assembly
Muffler Assembly (Silencer)
Main (Center) Stand
Saree Guard
Side Stand





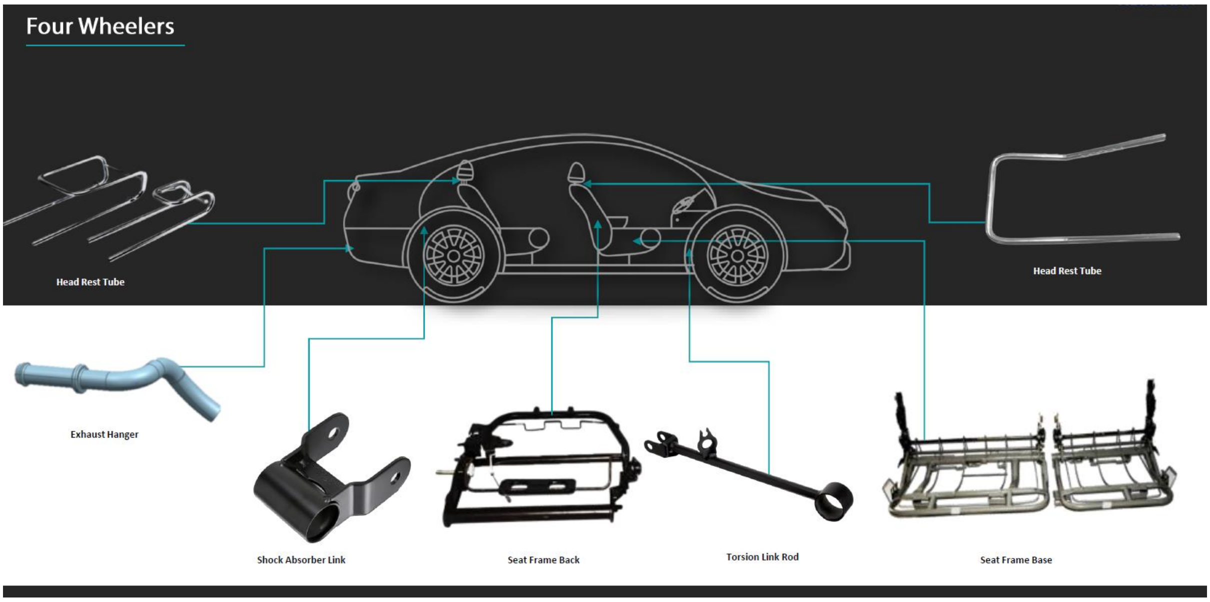
Three Wheelers

Description	Key Products
Passenger three wheeler carriers and three wheeler goods carriers	• Windshields, driver cabins, mud guards, cabin doors, and floor boards



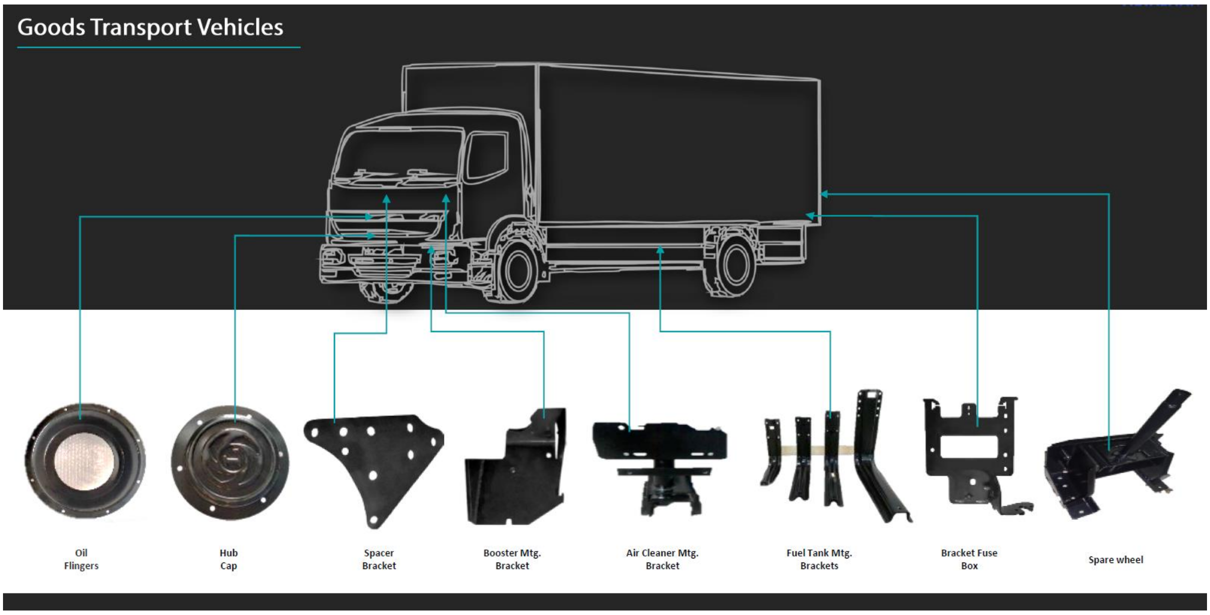
Passenger Vehicles

Description	Key Products
Passenger four wheelers	Seat frames and torsion links



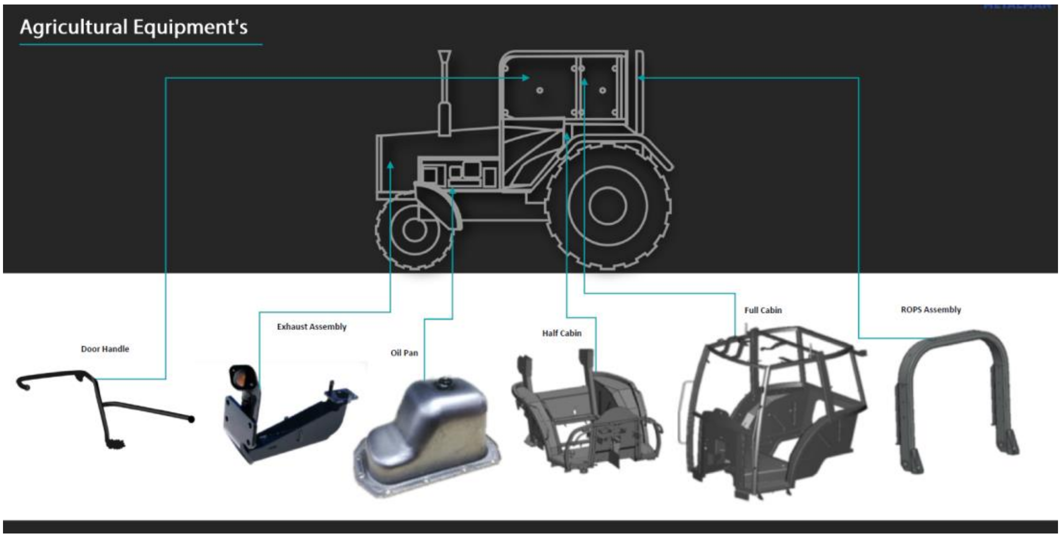
Commercial Vehicles

Description	Key Products
Trucks	Deep drawn parts (such as oil pans and hub caps) and bracketry components (such as air cleaner mounting brackets and fuel tank brackets)



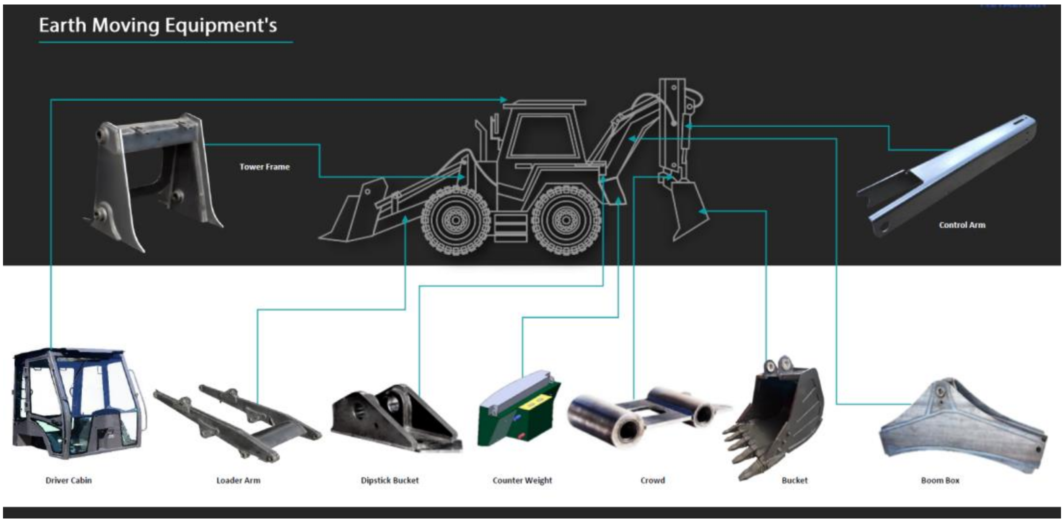
Agri-Vehicles

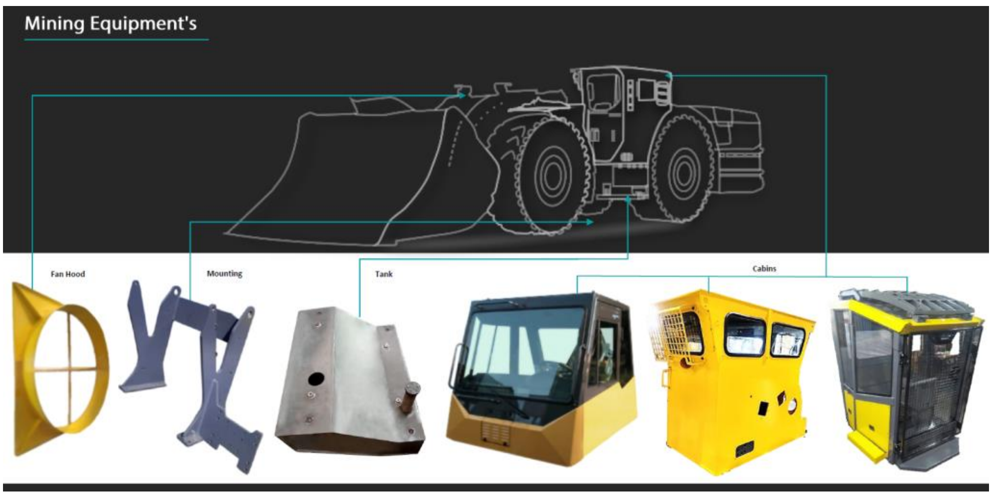
Description	Key Products
Tractors	Tubular door handles, half-cabins, full cabins, and roll-over protection systems assembly

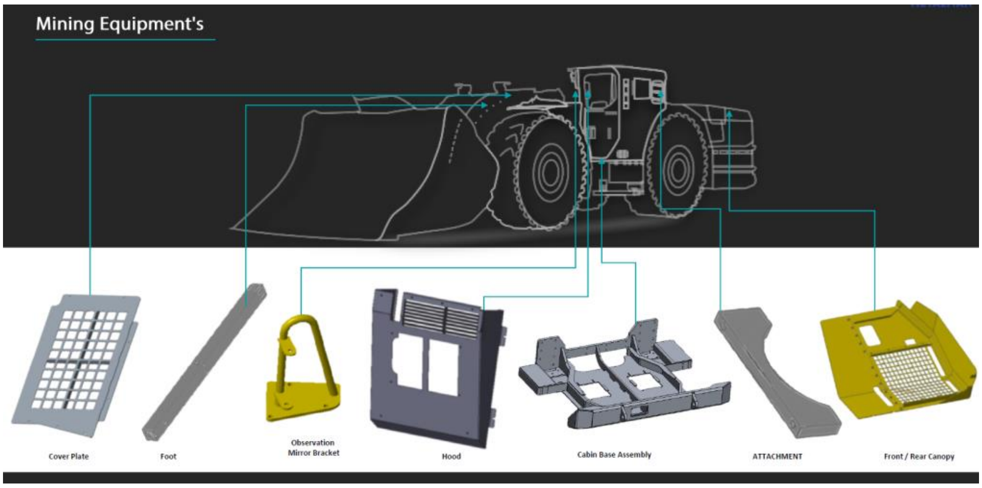


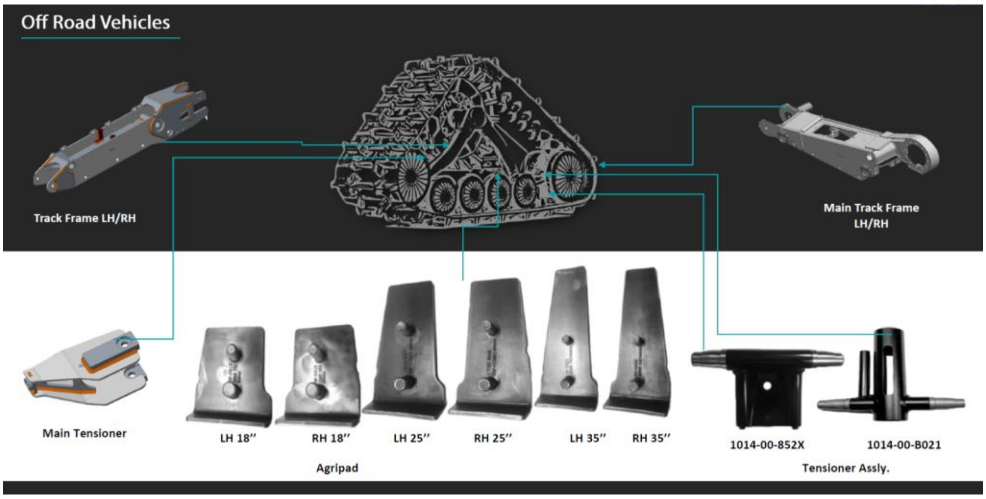
Off-highway Vehicles

Description	Key Products
Mining equipment, ATVs, construction and earth-moving equipment, material handling equipment	Driver cabins, booms, buckets (including dipstick buckets), loader arms, track frames, hoods, canopies, tensioners, and bracketry components



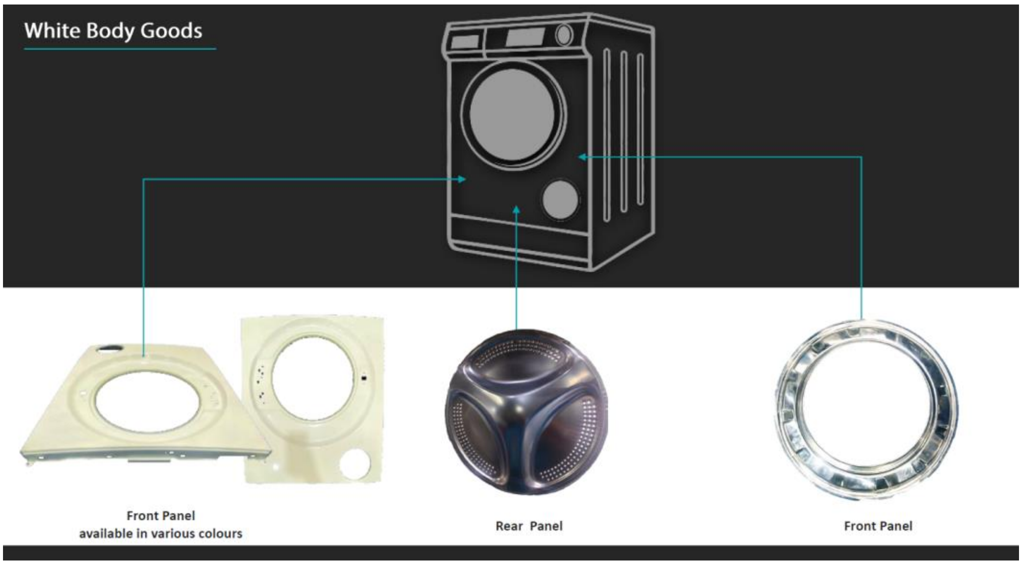






Other Components

Description	Key Products
White body goods	Front and rear panels and rear covers for washing machines



Our services

We provide our customers with metal finishing, assembly and contract manufacturing services. Our metal finishing offerings include surface preparation, nickel chrome plating, zinc and zinc nickel alloy plating, acrylic/epoxy CED painting, powder coating, heat resistant paintings and phosphating. We provide partial assembly service to certain 2W OEMs, wherein we assemble components manufactured by us and by other suppliers of the OEMs on to the frames of the motorcyles and also undertake contract manufacturing for 2W OEMS, wherein we assemble the different components and deliver the finished 2W to the OEM. We primarily provide these services at Aurangabad Manufacturing Unit 1, Aurangabad Manufacturing Unit 3, Aurangabad Manufacturing Unit 4, Pantnagar Manufacturing Unit 2.

Manufacturing units

We operate nine manufacturing units (seven through our Company and two through Metalman Micro Turners) across five states in India and as of March, 2024, the total built-up area of our manufacturing units was 217,526.05 square metre. Our facilities are equipped with automated machinery such as robotic welding and are strategically located in proximity to our key customers to enable us to better meet our customers' demand within a lean logistical framework. Set forth below are details of our manufacturing units:

Company

Aurangabad Manufacturing Unit 1

Aurangabad Manufacturing Unit 1 is spread over 8,500 square metres, and is located at Aurangabad, Maharashtra, India. It commenced operations in 1998. It is equipped with automatic nickel chrome plating plants, semi-automatic powder coating plants, wheel rim rolling mills, welding robots and SPM, CNC pipe bending machines, material handling conveyors, traction testing machines and fine boring machines. It is engaged in the production of components for our 2W and 3W OEM customers such as Bajaj, BMW and SumiRiko.

Aurangabad Manufacturing Unit 2

Aurangabad Manufacturing Unit 2 is spread over 8,100 square metres, and is located at Aurangabad, Maharashtra, India. It commenced operations in 2010. It is equipped with heavy and light duty presses, spot welding machines, welding robots, shearing machine, overhead cranes and tool maintenance cell. It is engaged in the production of components for 3W OEM customers, and undertakes assembly of products for 2W OEM customers.

Aurangabad manufacturing Unit 3

Aurangabad Manufacturing Unit 3 is spread over 26,750 square metres, and is located at Aurangabad, Maharashtra, India. It commenced operations in 2013. It is equipped with welding robots/cells, material handling conveyors, conveyorised PTCED paint shop, dunk type - PTCED paint shop, automatic powder coating plant, assembly conveyors and fine boring machines. It solely produces and assembles products for 2W category.

Aurangabad Manufacturing Unit 4

Aurangabad Manufacturing Unit 4 is spread over 2,563.26 square metres, and is located at Aurangabad, Maharashtra, India. It commenced operations in 2023. It houses a conveyorised assembly line, which provide complete assembly services for 2W EV OEM customers.

Pithampur Manufacturing Unit 1

Pithampur Manufacturing Unit 1 is spread over 12,310.00 square metres, and is located at Pithampur, Madhya Pradesh, India. It was the first Manufacturing Unit of our Company and commenced operations in 1989. It is equipped with manual welding workshops, bending machine, dunk type - PTCED paint shop, liquid painting, laser/oxy/plasma cutting and CNC press brakes. It is engaged in the production of components for OHV and PV OEM customers.

Pithampur Manufacturing Unit 2

Pithampur Manufacturing Unit 2 is spread over 16,722.00 square metres, and is located at Pithampur, Madhya Pradesh, India. It commenced operations in 2019. It is equipped with robot welding bending machine and laser/oxy/plasma cutting. It engaged in the production of components for OHV and PV OEM customers.

Hosur Manufacturing Unit

Hosur Manufacturing Unit is spread over 35,409.71 square metres, and is located at Hosur, Tamil Nadu India. It commenced operations in 2017. It is equipped with welding robots/cells, material handling conveyors, fine boring machines, heavy and light duty presses, CNC tube bending machines, conveyorised PTCED paint shop, tool maintenance cell, automatic nickel chrome plating plant, conveyorised HR paint shop and manual zinc plating and powder coating facility. It is engaged in the production of components for 2W (including 2W EV) and white-body goods OEM customers.

Metalman Micro Turners

Pantnagar Manufacturing Unit

Pantnagar Manufacturing Unit is spread over 64,000.25 square metres, and is located at Pantnagar, Uttarakhand, India. It commenced operations in 2010. It is equipped with heavy duty presses, welding robots, assembly shop, HR paint shop and semi automatic powder coating plants. It is engaged in the production of components and undertakes assembly of products for 2W, PV and CV OEM customers.

Dharuhera Manufacturing Unit

Dharuhera Unit is spread over 20,006.55 square metres, and is located at Rewari, Haryana, India. It commenced operations in 2017. It is equipped with conveyorised PTCED paint shop, semi automatic powder coating, welding robots, fine boring machines and overhead conveyors for material handling. It is engaged in the production of components for 2W OEM customers.

Capacity and capacity utilisation

The following table sets forth certain information relating to our capacity utilization of our manufacturing units, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Manufacturing Unit	Description	Category	Unit of Measurement	No. of Shifts	As of and for the period ended, March 31, 2024			As of and for the period ended, March 31, 2023			As of and for the period ended, March 31, 2022		
					Installed Capacity available for the Financial Year	Actual Production in the Financial Year	Capacity Utilization (%)	Installed Capacity available for the Financial Year	Actual Production in the Financial Year	Capacity Utilization (%)	Installed Capacity available for the Financial Year	Actual Production in the Financial Year	Capacity Utilization (%)
Aurangabad Manufacturing Unit 1	Nickel Chrome Plating	2W	sq. fts.	2 Shifts	35,70,000	28,85,469	80.83%	40,80,000	29,00,816	71.10%	45,90,000	42,33,597	92.24%
	Powder Coating Plant	2W/PV	sq. fts.	2 Shifts	68,00,000	48,61,766	71.50%	68,00,000	37,11,441	54.58%	68,00,000	49,71,754	73.11%
	Wheel Rim	2W	Pieces.	1 Shift	8,41,500	3,17,513	37.73%	8,41,500	4,17,631	49.63%	8,41,500	5,56,986	66.19%
	Export Shop	2W/PV/OHV	Pieces.	1 Shift	50,95,200	14,89,325	29.23%	50,95,200	14,31,108	28.09%	50,95,200	17,96,047	35.25%
Aurangabad Manufacturing Unit 2	Fabrication Shop	3W	Pieces.	2 Shifts	29,89,584	21,85,895	73.12%	29,80,224	16,79,548	56.36%	29,80,224	15,46,564	51.89%
	Press Shop	3W	Strokes.	2 Shifts	34,35,432	25,60,281	74.53%	34,01,970	13,82,387	40.63%	34,57,740	15,93,212	46.08%
Aurangabad Manufacturing Unit 3	Frame Fabrication Shop	2W	Pieces.	2 Shifts	11,02,733	6,60,680	59.91%	13,39,853	7,36,743	54.99%	13,39,853	10,98,240	81.97%
	Acrylic cathodic electro deposition	2W	Jigs/Flight Bars	2 Shifts	11,29,680	8,20,673	72.65%	11,29,680	8,56,077	75.78%	11,29,680	10,36,558	91.76%
	Sub Assembly Shop	2W	Pieces.	1 Shift	21,62,609	13,95,161	64.51%	21,62,609	12,55,271	58.04%	13,54,277	10,76,877	79.52%
Aurangabad Manufacturing Unit 4	EV Assembly Main Line	2W	Pieces.	1 Shift	50,000	-	0.00%	50,072	343	0.69%	-	-	-
Pithampur Manufacturing Unit 1	Cabin Fabrication	OHV/AV	Pieces.	2 Shifts	8,700	7,290	83.79%	7,265	6,056	83.36%	6,340	4,973	78.44%
	Bending Machine	OHV/AV	Strokes	2 Shifts	15,00,000	12,12,400	80.83%	15,00,000	11,55,000	77.00%	15,00,000	12,12,000	80.80%
	Laser Cutting	OHV/AV	Ton	2 Shifts	8,000	6,648	83.10%	8,000	7,164	89.55%	8,000	6,199	77.49%
	Acrylic cathodic electro deposition	OHV/AV	Jigs/Flight Bars	2 Shifts	11,232	6,864	61.11%	11,232	5,928	52.78%	11,232	4,992	44.44%
Pithampur Manufacturing Unit 2	Heavy Fabrication	OHV/AV	Ton.	2 Shifts	10,035	6,973	69.49%	8,074	5,432	67.27%	6,893	4,210	61.08%
	Bending Machine	OHV/AV	Strokes	2 Shifts	6,50,000	4,18,000	64.31%	2,50,000	1,25,000	50.00%	2,50,000	1,12,500	45.00%
	Oxy Cutting	OHV/AV	Ton	2 Shifts	7,000	2,957	42.24%	7,000	3,768	53.83%	7,000	3,312	47.32%
Hosur Manufacturing Unit	Fabrication	2W	Pieces.	2 Shifts	80,19,000	51,39,276	64.09%	67,11,000	37,85,356	56.41%	45,42,000	25,64,970	56.47%
	ACED	2-W	Jigs/Flight Bars	1 Shift	5,98,050	3,22,270	53.89%	5,98,050	3,33,386	55.75%	5,98,050	1,69,245	28.30%
	HR Paint Shop	2-W	Pieces	1 Shift	16,54,695	4,24,897	25.68%	16,54,695	6,11,503	36.96%	16,54,695	5,19,142	31.37%
	Powder Coating	2-W	Square feets	1 Shift	7,19,355	3,40,800	47.38%	-	-	-	-	-	-

	Ni-Cr Plating	2-W	Square feets	1 Shift	14,81,040	7,04,823	47.59%	14,81,040	7,35,474	49.66%	14,81,040	6,23,100	42.07%
	Zinc Plating	2-W	Square feets	1 Shift	278715	1,29,723	46.54%	-	-	-	-	-	-
	Press Shop	2W/White Goods	Strokes.	2 Shifts	8,88,00,000	4,37,93,619	49.32%	7,68,00,000	3,37,15,915	43.90%	7,68,00,000	2,43,82,846	31.75%
	Bend Shop	2W	Pieces.	2 Shifts	57,00,000	42,18,000	74.00%	54,90,000	30,81,600	56.13%	54,90,000	23,39,400	42.61%
Pantnagar Manufacturing Unit	Frame	2W	Pieces.	2 Shifts	7,05,000	4,29,873	60.97%	7,050	3,824	54.25%	Nil	Nil	Nil
	Swing Arm	2W	Pieces.	2 Shifts	8,10,000	4,34,180	53.60%	8,100	3,870	47.78%	Nil	Nil	Nil
	Acrylic cathodic electro deposition	2W/CV/AV/PV	Jigs/Flight Bars.	2 Shifts	7,83,675	2,95,317	37.68%	7,837	2,667	34.03%	Nil	Nil	Nil
	Frame Sub Assembly	2W	Pieces.	1 Shift	3,96,000	3,23,487	81.69%	3,465	2,400	69.29%	Nil	Nil	Nil
	Silencer	2W	Pieces.	1 Shift	2,25,000	2,16,760	96.34%	2,250	1,901	84.52%	Nil	Nil	Nil
	HR Paint Shop	2W	Pieces.	1 Shift	1,04,458	66,113	63.29%	1,044	597	57.16%	Nil	Nil	Nil
	Sheet Frame	PV	Pieces.	1 Shift	48,000	41,531	86.52%	480	394	82.14%	Nil	Nil	Nil
	Powder Coating	2W/CV/AV	Pieces.	1 Shift	99,840	75,456	75.58%	-	-	-	Nil	Nil	Nil
	Press Shop	2W/CV/AV	Pieces.	2 Shifts	2,76,47,100	1,62,72,943	58.86%	-	-	-	Nil	Nil	Nil
Dharuhera Manufacturing Unit	Frame	2W	Pieces.	2 Shifts	8,31,000	5,51,971	66.42%	8,310	4,205	50.60%	Nil	Nil	Nil
	Swing Arm	2W	Pieces.	1 Shift	7,24,500	6,43,378	88.80%	7,245	6,904	95.29%	Nil	Nil	Nil
	Main Stand	2W	Pieces.	2 Shifts	9,76,800	6,97,269	71.38%	9,768	6,898	70.62%	Nil	Nil	Nil
	Side Stand	2W	Pieces.	1 Shifts	6,15,000	3,97,387	64.62%	6,150	4,715	76.67%	Nil	Nil	Nil
	Holder	2W	Pieces.	2 Shifts	1,81,500	1,60,701	88.54%	1,815	1,029	56.69%	Nil	Nil	Nil
	Handle	2W	Pieces.	1 Shifts	37,500	26,461	70.56%	-	-	-	Nil	Nil	Nil
	Saree Guard	2W	Pieces.	1 Shifts	37,500	26,461	70.56%	-	-	-	Nil	Nil	Nil
	FENDER	2W	Pieces.	1 Shifts	3,60,000	1,76,063	48.91%	-	-	-	Nil	Nil	Nil
	HEAD LIGHT	2W	Pieces.	1 Shifts	75,000	13,779	18.37%	-	-	-	Nil	Nil	Nil
	Acrylic cathodic electro deposition	2W/3W	Jigs/Flight Bars	2 Shifts	5,83,200	3,41,082	58.48%	5,832	3,133	53.73%	Nil	Nil	Nil

Assumptions and notes:

i) Installed capacity has been calculated based on cycle time study on each production/assembly line, in the following manner:

*ii) (Available time for production per shift/Maximum cycle time) * No. of shifts * Assumed limit on efficiency * No. of work days in a year.*

iii) Based on cycle time study across processes, the bottleneck process cycle time (i.e., the longest cycle time recorded for a single process) is considered as the Maximum Cycle Time for a machine/assembly line and has been calculated based on the highest stop-watch reading for a process within a production/assembly line during single shift.

iv) Working hours per shift considered at eight hours.

v) 300 work days in a Financial Year.

vi) By way of abundant caution, an assumed limit on efficiency of 85% has been considered.

vii) Number of shifts per work day has been assumed as per the above attached annexure.

viii) Where there has been any enhancement of installed capacity during any of the last three Financial Years under any production/assembly line, the installed capacity available for the Financial Year of such production/assembly line has been calculated as the aggregated of the pro-rate installed capacity of the respective number of work days covered during the periods before and after such enhancements.

ix) Actual production represents quantum of production in the relevant production/assembly line in the relevant Financial Year.

x) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant Financial Year, divided by the capacity available of relevant manufacturing facility during the relevant Financial Year. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

xi) Dharuhera Manufacturing Unit and Pantnagar Manufacturing Unit were acquired on March 29, 2023. Since production at these manufacturing units was undertaken for only three work-days during Financial Year 2023, adjusted capacity utilisation data for Financial Year 2023 has been calculated for three workdays and provided above on an annualised basis.

Customers

We cater to a diverse customer base across 2W, 3W, PV, CV, AV and OHV segments and provide them with automotive and non-automotive components. In the automotive sector, in Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM, Bajaj, in Financial Year 2024. With our powertrain agnostic offerings we serve both 2W EVs and 2W ICE OEM customers. In Financial year 2024, one out of every four high speed EV scooters sold in the India, one out of every five 2W motorcycles exported from the country and one out of every 10 2W sold in the India was fitted with frames/chassis manufactured by us thereby, establishing our position as a key supplier to our customers in the 2W segment. (*Source: CRISIL Report*)

Manufacturing Process

As a one stop shop for metal fabrication, metal finishing and assembly of components for OEMs we provide our product offerings through three steps: (I) fabrication (which involves (i) pre-production phase (ii) production phase) (II) assembly and (III) delivery.

Fabrication

Pre Production Phase

- **Cross-Functional Team ("CFT") Formation -** A CFT comprising members from various departments (e.g., engineering, quality, logistics) is formed. This team collaborates to address all aspects of the project, ensuring that each department's expertise is utilized. The CFT works together to identify potential challenges and develop solutions.

- **Detailed Feasibility -** An in-depth feasibility study is conducted, focusing on raw materials, processes, quality, packaging, and logistics. This ensures that all potential issues are identified and mitigated early. The detailed feasibility study involves close collaboration between the CFT and the customer to ensure all requirements are met.

- **5M Time Plan Preparation -** A comprehensive time plan is prepared, considering the 5Ms: Man, Machine, Material, Method, and Measurement. This plan outlines the project schedule, milestones, and key deliverables. The time plan is designed to ensure efficient project execution and timely completion.

- **Agreement with Customer on Time Plan -** The time plan is discussed with the customer to ensure alignment on timelines and milestones. Both parties review the plan and agree on the project schedule. This step ensures that the customer is fully aware of the project's progress and any critical milestones.

- **Tool Development and Equipment Installation** - Tools and equipment necessary for production are designed, developed, and installed. This involves ensuring that all tools and equipment are calibrated and ready for use. The installation process includes testing and validation to ensure that everything is functioning correctly and meets the required standards.

- **Trial & Sample Submission -** Trial runs are conducted to produce sample products. These samples are submitted to the customer for approval, ensuring they meet the required specifications and quality standards. The trial phase helps identify any issues that need to be addressed before full-scale production begins.

- **Production Part Approval Process ("PPAP") and Run at Rate -** The PPAP is completed to verify that all production processes meet customer requirements. A Run at Rate is conducted to achieve the required production rate and ensure process stability. This step ensures that the manufacturing processes are capable of producing quality products consistently.

- **Startup Production** - Full-scale production begins, producing the finished products as per the approved specifications and timelines. The production team closely monitors the process to ensure that quality standards are maintained and that any issues are promptly addressed.

Production Phase

- **Material Planning -** Raw materials are planned and procured based on production schedules. This involves coordinating with suppliers to ensure the timely delivery of materials in the right quantities. Effective material planning helps prevent production delays and ensures a smooth workflow.

- **Cutting -** Raw materials are cut to the required dimensions and shapes using appropriate cutting tools and machines. Precision cutting is essential to ensure that parts fit together correctly and meet design specifications.

- **Child Part Operation -** Operations on sub-components (child parts) are performed as needed, such as machining, drilling, or forming. These operations prepare the child parts for assembly and ensure they meet the necessary specifications.

- **Tack Welding -** Components are tack welded to hold them in place for final welding. Tack welding provides temporary joints that align the parts accurately, ensuring they are correctly positioned for the full welding process.

- **Full Welding -** Complete welding of all components is performed to create a strong and durable assembly. Full welding involves using various techniques (e.g., MIG, TIG, spot welding) to achieve the required strength and quality.

Assembly

On a slat convert the assembly process starts by assembling several small parts on a motorcycle frame, components such as main stand, swing arms, rear fenders, wiring harnesses etc. are assembled using proper procedures using fasteners with pneumatic tools.

Delivery

- **Pre-Delivery Inspection ("PDI")** - A final inspection is conducted to ensure that the finished product meets all quality standards and specifications. PDI involves checking for defects, verifying dimensions, and conducting functional tests. Any issues identified are addressed before packaging.

- **Packaging** - The finished product is securely packaged to prevent damage during transportation. Packaging materials and methods are selected based on the product's nature and shipping requirements. Proper labeling and documentation are also prepared.

- **Dispatch** - The packaged product is dispatched to the customer, completing the production process. Logistics teams coordinate the shipment to ensure timely delivery. Tracking information is provided to the customer for monitoring the shipment's progress.

Metal finishing

We provide metal finishing services depending upon the needs of our customers, such as: surface preparation, nickel chrome plating, zinc and zinc nickel alloy plating, acrylic/epoxy CED painting, powder coating, heat resistant paintings and phosphating. Each of the metal finishing processes is undertaken through the following steps:

- **Surface Preparation** – Processes such as grinding, polishing, tumbling, shot blasting or deburring, are carried out to achieve the necessary surface quality. These enhances the appearance of the product and ensures that all surfaces are smooth and free of defects.

- **Pre-Treatment** – Activation, rinsing and phosphating or chromating is done depending on the specific metal finishing and surface treatment process to be undertaken.

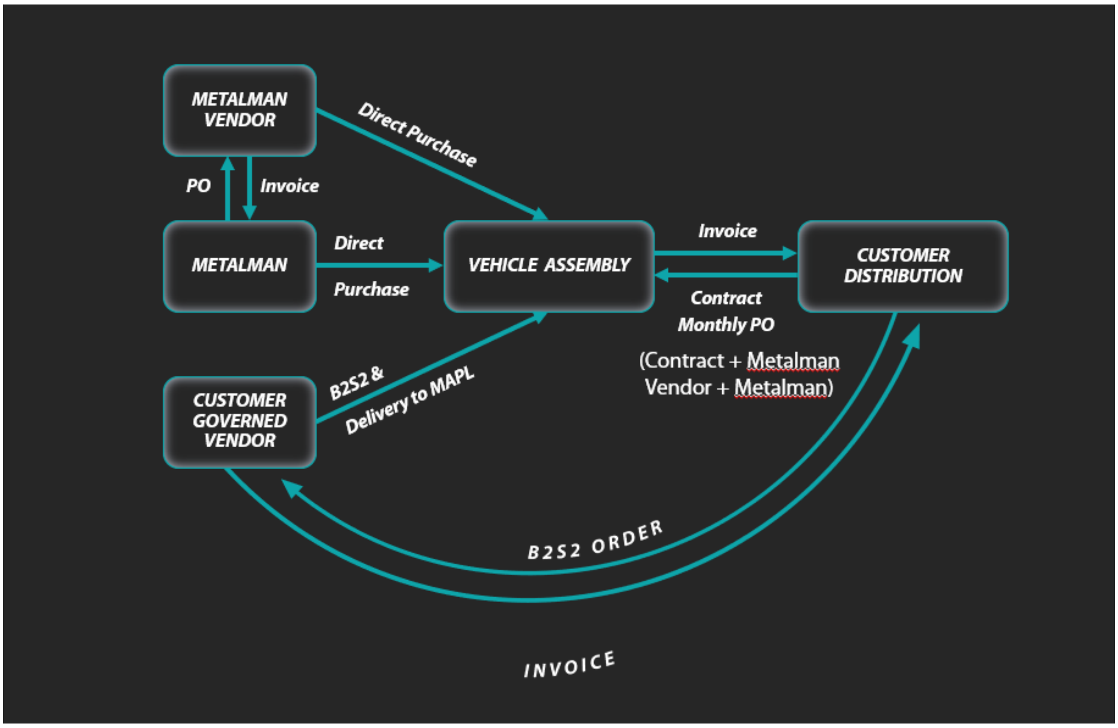
- **Treatment and Plating** – Involves chemical treatment and electrochemical process such as electrostatic spraying, immersion, electroplating bath, electrolytic deposition.

- **Post-Treatment** – Heat curing, rinsing, passivation and drying is done post treatment to complete the chemical treatment.

- **Quality Control** – Manual inspection to ensure the plating, adhesion, and appearance meet specifications

Contract Manufacturing

We undertake contract manufacturing for 2W OEMS, wherein we assemble the different components and deliver the finished 2W to the OEM in our Aurangabad Manufacturing Unit 4.



Key raw materials and inputs

Our primary raw material and key inputs include brought out parts, metal sheets, metal tubes, various types of welding materials and chemicals such as nickel, argon, CO2 gas and paint. We procure our raw materials based on purchase orders, from third parties recommended by our customers, and generally do not have firm commitments from our suppliers in India. There is no fixed commitment of quantity or price under our arrangements with our suppliers which are only stipulated by way of purchase orders issued from time to time.

The table below sets forth details of our expenditure on raw materials and key inputs, including as a percentage of our total cost of material consumed, during the Financial Year stated:

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*
Bought out parts and assorted others	5,597.84	51.51%	4,483.59	57.04%	4,590.39	57.83%
Metal sheets	2,946.26	27.11%	1,961.29	24.95%	2,115.33	26.65%
Metal tubes	1,537.76	14.15%	917.18	11.67%	751.63	9.47%
Mild steel round	49.38	0.45%	25.80	0.33%	24.61	0.31%
Welding material	284.95	2.62%	162.06	2.06%	148.71	1.87%
Chemicals	452.00	4.16%	310.57	3.95%	307.56	3.87%
Total	**10,868.19**	**100.00%**	**7,860.49**	**100.00%**	**7,938.23**	**100.00%**

Suppliers of Raw Materials

We depend on third-party suppliers for our raw materials from India. As we are subject to applicable laws and strict quality requirements specified in contractual arrangements with customers, our supplier base is limited. We procure all of our raw materials by way of purchase orders on an ongoing basis wherein the pricing, scheduling and delivery details are set out. Under certain of the purchase orders, we have the right to inspect all materials that are provided to us.

Utilities

Our manufacturing processes require an uninterrupted and constant voltage power to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We use a substantial amount of electricity and fuel for our operations. We source our electricity requirement from electricity department of the state governments; or from power distribution companies and have entered into long-term power purchase agreements, typically for a term of 20 years from the commissioning of the solar plant. Further, we have also implemented renewable sources of power in majority of our manufacturing units by way of rooftop solar panels installed in all our units. In addition we operate a captive 1 MW solar power plant at Solapur, Maharashtra, India, which is dedicated to generating clean energy to support our manufacturing units in Maharashtra, significantly offsetting our carbon footprint.

Solapur

Capacity
1 MW

Aurangabad

Capacity
290 KW

Aurangabad

Capacity
283 KW

Pithampur

Capacity
306 KW

Dharuhera

Capacity
656 KW

Technology infrastructure

As of June 30, 2024, we had 493 welding robots, and also use automated welding lines using AI/ML features which enables us to undertake robotic inspection of products and enhances detection and prevention of defects in our production lines. We use SCADA and utilize in-house developed special programmes BI modules, which enables monitoring real-time usage of resources and control of product quality. Our manufacturing units are equipped with technology and equipment for, among others, welding, stamping presses, CNC tube bending, roll forming, laser and plasma cutting, machining, automated multiple surface finishing plants such as CED painting, powder coating, plating and liquid painting. We use Factory Talk SCADA for monitoring and analysis of data insights collected from robotics and allied machinery at our manufacturing units, SAP S4Hana for enterprise resource management (supply chain management from purchase to delivery, raw material management, financial accounting, production management, quality assurance, invoicing), Tableau for Business (for real time data reporting from various applications), Peoples HR for HRMS; Labourworks for contract labor management; Happay for expense management; Faveo Service Desk for enterprise service desk for employee workflow management The various technological facilities available at our engineering centre of excellence in New Delhi include: 3D modeling software (such as PRO-E, UG-NX, Auto CAD, CATIA, Creo and Solid works), simulation software (such as Altair), 3D laser scanner (such as Poly works, Portable CMM-FARO) etc.

Transport and Logistics

Our logistical needs are met through (i) outsourcing of transportation requirements to third party logistic service providers (ii) OEMs own logistical framework and (iii) our fleet of trucks at certain locations. We have engaged third party transport providers for the delivery of our products to our domestic customers from our Manufacturing Units Aurangabad, Hosur and Pithampur, whereas in certain Manufacturing Units in Aurangabad and in Pantnagar certain OEM customers are responsible for transport of the finished components. We typically do not enter into continuing agreements with such third-party transport providers and we rely on service orders issued by us from time to time. At Dharuhera, we are responsible for direct transport of bought-out parts to OEMs and other vendors, for which we have a fleet of around 20 trucks as of June 30, 2024.

Quality assurance

We have a multi-tier quality assurance testing process in place which is carried out by our quality assurance team before dispatch of products. The quality assurance team carries out frequent checks on the process and product specifications as per our quality assurance testing process. Further, the finished products, which are approved by the quality assurance team are passed on for testing and validation which ensures that the product meets OEM specifications. We undertake various quality assurance process for (i) raw materials such as UTS and spectroscope (ii) fabrication such as weld penetration, nugget testing, parts inspection through robots, boring testing (iii) finishing such as dry film thickness measurement and salt spray test.

We undertake multiple stringent quality checks and have been awarded ISO 45001:2018, ISO 9001:2015, ISO 14001:2015 and IATF 16949:2016 for our manufacturing units.

Our commitment to quality assurance has been recognized by our customers, from whom we have received quality assurance awards. See "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 294.

Human Resources and Employee training

Our operations are supported by a qualified employee base of 1,238 as of June 30, 2024, which included 510 qualified engineers and technical diploma holders. Our personnel policies are aimed towards recruiting individuals, facilitating their integration, and promoting the development of their skills.

Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration, and promoting the development of their skills. These employees are employed in various capacities across our divisions, which range from such professionals like that of engineering, management, sales and marketing. Recruitment of personnel in different categories is carried out by the human resources department of our Company. We also provide training to our employees. Our emoluments for our staff are performance based. Employees are evaluated on a yearly basis for their performance on specified parameters.

The following table illustrates the breakdown of the numbers of our employees by function as of June 30, 2024:

Particulars	As of June 30, 2024
Professional Qualification	79
Technical diploma	272
Engineering degree	238
Industrial trained	167
Others	482
Total	**1,234**

Training

We undertake various training programs such as such as Metalman ADC, Associate Training Program and Learning & Development for white collared employees. Through Metalman ADC, we put candidates through a series of challenges designed to evaluate their potential for leadership roles within the Company The assessment process consists of six rounds (which include analytical tests, creative group exercises, psychometric tests, case studies, situational simulation exercises, performance testing) each designed to assess a different aspect of a candidate's suitability for leadership. Employees below the age of 45 are considered for the assessment process irrespective of position, qualification, role or gender. We conducted the first Metalman ADC in Financial Year 2023 for 887 employees of which 17 candidates were selected for further development. Metalman ADC seeks to invest in grooming future leaders by identifying high potential individuals and providing them with targeted development opportunities ensuring a strong leadership pipeline for the future of the Company. Our Associate Training Program for employees is designed to bridge skill gaps, ensure competency, and foster a culture of continuous learning. The process starts with the laying out specific skills and knowledge required for each associate role and gaps are identified between the current skill level and the required skills of our associates. This analysis helps us tailor the training program to address individual and team needs. Based on the gap analysis, a training plan is prepared ensuring that associates receive the training they need, when they need it and how they need it (classroom or on-the-job) to meet their individual and departmental goals. Accordingly, we provide on-the-job training to our associates who gain hands-on experience under the guidance of experienced mentors or supervisors. Under our learning and development program for white collared employees we prepare a comprehensive competency mapping process which involves defining the specific skills, knowledge, and behaviors required for various roles within the Company. This map serves as a blueprint for training needs and development opportunities. We leverage a combination of internal and external training resources to bridge identified skill gaps through experienced team members, subject matter experts, and in-house trainers. For specialized skills, we invest in external training programs, conferences, and online courses offered by industry experts.

Insurance

Our operations are subject to certain hazards such as work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause destruction of property and inventory. We maintain insurance cover for our properties, and our policies cover, among others, protection from fire, burglary, product liability, commercial general liability and a variety of marine cargo insurance policies for transit of good. We also maintain certain employee insurance policies such as group personal accident policy, group term life policy and group mediclaim policy.

Our policies are typically subject to standard limitations. For example, in the case of business interruption, limitations apply with respect to the partial or complete closure of public, military, government or civil authorities and changes in consumer behaviours. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "***Risk Factors – There can be no assurance that claims, under the insurance policies maintained by us, will continue to be covered or accepted in full in the future***" on page 52.

Awards and Recognitions

In recognition of our technological capabilities and development processes, we have also received several awards for the quality of our products and excellence in the business categories of our Company. For details of our awards, see "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 294.

Property

Our material premises comprise our Registered and Corporate Office, our manufacturing units. For details on our capacity utilisation of our manufacturing units, see "– ***Manufacturing facilities***", on page 272.

The following table sets out details of our material premises:

S. No.	Name	Location	Area	Owner/ Lessor	Leased/ Rented/ Owned
Our Company					
1.	Registered and Corporate Office	Ground Floor and First Floor, JMK Tower, 44/5, Kapashera Estate, NH-8, Delhi-Gurgaon Border, New Delhi- 110037	743.22 square metres	Anu Apartment Private Limited	Rent
2.	Aurangabad Manufacturing Unit 1	B-30, 31 Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.	8,500 square metres	Maharashtra State Industrial Development Corporation (MIDC)	Leased
3.	Aurangabad Manufacturing Unit 2	Plot No. B-17, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.	8,100 square metres	Maharashtra State Industrial Development Corporation (MIDC)	Leased
4.	Aurangabad Manufacturing Unit 3	Plot No. B-12 (Part-1), Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.	26,750 square metres	Maharashtra State Industrial Development Corporation (MIDC)	Leased
5.	Aurangabad Manufacturing Unit 4	Plot No. B-03, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.	2,563.26 square metres	Kabsons Industries Limited	Rented
6.	Pithampur Manufacturing Unit 1	Plot No. 116, Industrial Growth Centre Pithampur, Sector-3, District Dhar 431 136, Madhya Pradesh, India.	12,310 square metres	Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited	Leased
7.	Pithampur Manufacturing Unit 2	Plot No. 502, 503 and 504 Industrial Growth Centre Pithampur, Sector-3, District-Dhar, District Dhar 431 136, Madhya Pradesh, India.	16,722 square metres	Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited	Leased
8.	Hosur Manufacturing Unit	Survey Nos. 477, 478, 476, 473, and 475/1, in Mathigiri Village of Hosur Taluk, Kelamangalam, District Krishnagiri, Tamil Nadu, India.	35,409.71 square metres	Metalman Auto Limited	Owned
Metalman Micro Turners					
9.	Pantnagar Manufacturing Unit	Plot No.15 & 17, Sector 9, Industrial Area IIE Pantnagar, District Udham Singh Nagar, Uttarakhand, India	64,000.25 square metres	Metalman Micro Turners	Leased
10.	Dharuhera Manufacturing Unit	Khewat No. 64, Khatoni No. 65, Mustatil No. 35//23/1 (4-0), 35//23/2 (4-0), 35//24 (8-0), Mustatil No. 44//3 (8-0), 44//4 (8-0), 35//18(8-0), Situated in the revenue village of Kapriwas, Sub Tehsil Dharuhera, District Rewari, Haryana, India	20,006.55 square metres	Metalman Micro Turners	Owned

Intellectual property

We rely on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect our intellectual property. For details of our registered trademarks, designs and patents, see "***Government and other Approvals – Intellectual Property Rights***" on page 454.

Environment, health and safety

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. We have an employee health and safety policy to promote workplace health and safety and minimise the risk of accidents at our facilities. We carry out our activities while following appropriate standards of work safety and we strive to ensure that our working conditions remain a healthy and safe work environment for our employees. Further, our manufacturing units have water recycling plants that treat and reuse water, reducing dependency on external sources and promoting sustainable water management practices. We have also developed green belts with tree plantations across the areas nearby our manufacturing units in Aurangabad. In addition, we have are also using renewable sources of energy through the captive 1 MW solar power plant at Solapur, Maharashtra, India, to support our manufacturing units in Maharashtra, significantly offsetting our carbon footprint and use of rooftop solar panels at our manufacturing units. We have also recently started monitoring our Carbon Emissions with respect to products exported by using a third party software.

We believe that enabling and uplifting the people we work with, taking care of the environment, and being ethical in our conduct with have a long and lasting positive impact.

Corporate Social Responsibility ("CSR")

Our CSR initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development.

We have implemented several CSR initiatives on our own, with employee volunteers. In Financial Years 2024, 2023 and 2022, we spent ₹ 5.35 million, ₹ 3.37 million and ₹ 3.35 million, respectively, on CSR activities. Such social welfare initiatives were mainly undertaken in the areas of welfare of old age homes, promoting healthcare and education. We support the initiatives based on the community's needs. We disburse funds to our CSR team and further the team interacts with societies and NGOs to ensure that the needs of the community are met with.

Our CSR teams closely monitor the progress of various activities at different site locations to ensure the impact of these initiatives. Our senior management also interacts with the CSR teams through regular updates and site visits. Our prime objective is to give back to society in a way that brings positive changes and transforms the lives of the weaker sections in the best possible ways.

Competition

We face competition from competitors both domestically and internationally, in relation to specific categories or geographies. The key factors of competition may include quality, cost, delivery, technical capability and quality of management. Consequently, we do not have a single competitor across all our product ranges. Also see, "***Industry Overview***" on page 139. While we face significant competition, we intend to rely on our extensive experience and domain knowledge in metal fabrication, metal finishing and assembly, our diversified portfolio of products, our ability to meet our customers' varying requirements and stringent timelines, and our relationships that we have built with our customers to differentiate us from our competitors.

KEY REGULATIONS AND POLICIES IN INDIA

*The following is a brief overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information in this section has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of the government approvals obtained by our Company, see "**Government and Other Approvals**" beginning on page 451.*

Key legislations applicable to our business

Environmental Laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

The Environment (Protection) Act, 1986 ("EPA") and the Environment (Protection) Rules, 1986

The EPA is an umbrella legislation designed to provide a framework for the Government to protect and improve the environment. The EPA vests with the Government, the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution by factories and manufacturing units and maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewageor new discharge of sewage, must obtain the consent of the relevant state PCB, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state PCB prior to establishing or operating such industrial plant. The state PCB must decide on the application within a period of four months of receipt of such application. No person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state PCB.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility 177 generating hazardous waste to dispose of such waste without causing adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant PCB. The occupier, the transporter, the operator and the importer are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state PCB.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009, as amended (the "**Metrology Act**") aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

Consumer Protection Act, 2019 and the rules made thereunder

The Consumer Protection Act, 2019 (the "**Consumer Protection Act**"), which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

The Industries (Development and Regulation) Act, 1951

The Industries (Development and Regulation) Act, 1951 (Industries Act) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance, and results of industrial undertakings in public interest. The Industries Act is applicable to the 'Scheduled Industries' which have been listed down in the first schedule of the Industries Act. Small-scale industrial undertakings and ancillary units are exempted from the provisions of the Industries Act. The Industries Act regulates the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, DPIIT. The Industries Act is administered by the Ministry of Industries and Commerce through its DPIIT which is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

Customs Act, 1962

The Customs Act, 1962 (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. Any entity intending to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance, Government of India.

Export Promotion Capital Goods Scheme, 2020

The Export Promotion Capital Goods Scheme (the "**EPCG Scheme**") provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of nonfulfillment of prescribed export obligations.

Remission of Duties and Taxes on Exported Products Scheme

The Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP Scheme), acts as the successor to the Merchandise Exports from India Scheme. Certain taxes/duties/levies which are outside the scope of Goods and Service Tax and are not refunded for exports, such as, value added tax on fuel used in transportation, mandi tax, duty on electricity used during manufacturing etc. are reimbursed under the RoDTEP Scheme.

Duty Drawback Scheme, 2020

The duty drawback scheme is an option available to exporters. Under this scheme, an exporter of goods is entitled to a refund of the excise duty and integrated goods and services tax paid by him on the inputs used in the products exported by him. It neutralizes the duty impact on the goods exported by giving a relief on customs and central excise duties suffered on the inputs used in the manufacture of export product. The Customs and Central Excise Duties Drawback Rules, 2017, as amended (Drawback Rules) have also 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, duty drawback 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 duty drawback 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.

Labour Law legislations

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the Factories Act, the CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Employee's Compensation Act, 1923.
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.

- The Equal Remuneration Act, 1976.
- Maternity Benefit Act, 1961.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Payment of Wages Act, 1936.
- The Child Labour (Prohibition and Regulation) Act, 1986.
- The Labour Welfare Fund Act, 1965.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(a) 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, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.
(b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.
(c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force 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. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.
(d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. 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. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Intellectual Property Laws

The Trademarks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

The Copyright Act, 1957 and the Copyright Rules, 2013 (the "Copyright Rules")

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Laws Relating to Taxation

Laws Relating to Taxation

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, 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 Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (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.

Under the Customs Act, 1962 the Central Government has the power to prohibit either absolutely or subject to such conditions, the import or export of goods of any specified description. Further, the Central Government may specify goods of such class or description, if it is satisfied that it is necessary to take special measures for the purpose of checking the illegal import, circulation or disposal of such goods.

Special Economic Zones Act, 2005 ("SEZ Act") and the Special Economic Zone Rules, 2006 ("SEZ Rules")

A SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A board of approval has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Rules prescribe the procedure for the operation and maintenance of a SEZ and for setting up and conducting business therein.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Metalman Auto Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh situated at Jalandhar, Punjab, India on May 16, 1986. Our registered office was shifted from the state of Punjab, India to the state of Madhya Pradesh, India pursuant to a resolution passed by our Shareholders on November 23, 1989, and a certificate of registration dated April 12, 1991 pursuant to transfer of registered office to another state, confirming the order of the Company Law Board, Northern Region, New Delhi, Delhi, India dated March 11, 1991, was issued by the Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh, India. Subsequently our registered office was shifted from the state of Madhya Pradesh to the state of Punjab pursuant to a resolution passed by our Shareholders on October 12, 1998, and a certificate of registration dated January 3, 2000 pursuant to transfer of the registered office to another state, confirming order of the Company Law Board, Bench Mumbai, Mumbai, Maharashtra, India dated December 8, 1999, was issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh at Jalandhar, Punjab, India. Thereafter, our registered office was shifted from the state of Punjab to the state of Delhi pursuant to a resolution passed by our Shareholders on March 22, 2016 and a certificate of registration dated August 31, 2016 pursuant to transfer of the registered office to another state, confirming the order of the Regional Director dated August 5, 2016, was issued by the Registrar of Companies, Delhi and Haryana at New Delhi, Delhi, India ("**RoC**"). Upon the conversion of our Company into a public limited company, pursuant to a board resolution dated May 14, 2024 and a Shareholders' resolution dated May 15, 2024, our Company was converted into a public limited company, and consequently, the name of our Company was changed to "Metalman Auto Limited" and a fresh certificate of incorporation dated July 3, 2024 was issued by the RoC.

Changes in the registered office of our Company

Except as set forth below, there has been no change in the registered office of our Company since its incorporation:

Date of change	Details of change in the registered office	Reasons for change
April 12, 1991	The registered office of our Company was shifted from E-127, Focal Point, Ludhiana 141010, Punjab, India to 8, Alok Apartments, 21/2, Manorama Ganj, Indore 452001, Madhya Pradesh, India.	In furtherance of financing arrangements
January 3, 2000	The registered office of our Company was shifted from 8, Alok Apartments, 21/2, Manorama Ganj, Indore 452001, Madhya Pradesh, India to E-127, Focal Point, Ludhiana 141010, Punjab, India.	In furtherance of financing arrangements
August 25, 2016	The registered office of our Company was shifted from E-127, Focal Point, Ludhiana 141010, Punjab, India to 8, Third Floor, Portion 'B', Plot No. S-533, Greater Kailash II, New Delhi 11048, India.	Administrative convenience
April 13, 2017	The registered office of our Company was shifted from 8, Third Floor, Portion 'B', Plot No. S-533, Greater Kailash II 11048, New Delhi, India to JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110037, India.	Administrative convenience

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as set out below:

"1. To carry on the business of manufacturers, dealers, assemblers, importers and exporters of all types of automobile and automobile components including motor cars, motorcycles, scooters, mopeds, commercial vehicles and all articles and things used in manufacturing, maintenance and working thereof.

1A. To carry on the business of manufacturers, dealers, importers and exporters of all types of Earthmoving equipments, Material handling equipments, off-road vehicles and its allied components.

2. To set up hammers and to carry on the business of all or any kinds of iron and steel founders, steel makers, steel shapers and fabricators, tool makers, brass founders, metal workers, manufacturers of special and alloy *steel, spring steel and forging quality steel, processors, of all types of forged, components, all types of railway components and accessories.*

3. To carry on the business of metal processing, metal coating, surface finishing such as paintings, electroplating, heat treatment, chemical treatment and to manufacture, deal, import export of electroplating and industrial chemicals, their machinery and spare parts including technical know-how used for the purpose of trunkey checmical projects.

4. To carry on the business of manufacturers, suppliers, dealers, importers, exporters and exporters of all types of cycles, hand tools and hardware material.

5. To carry on the business as manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, brokers, repairers, cleaners or otherwise deal in the component manufacturing, assembling of parts of automobiles, motor cars, lorries, vans, motor cycles, three wheelers, e rickshaw, cycle-cars, motors, scooters and other vehicles suitable for propulsion on land, sea or in the air or in combination thereof and vehicles of all description whether propelled or assisted by means of electricity.

6. To carry on the business of manufacturing of fabricated and painted or plated products for all purposes."

Amendments to our Memorandum of Association in the last 10 years

Set forth below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Drat Red Herring Prospectus:

Date of Shareholder's resolution/Effective date	Particulars
March 5, 2018	Clause III(A) of the Memorandum of Association was amended to include the following sub-clauses 5 and 6: "5. *To carry on the business as manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, brojers, repairers, cleaners or otherwise deal in the component manufacturing, assembling of parts of automobiles, motor cars, lorries, vans, motor cycles, cycle-cars, motors, scooters, and other vehicles suitable for propulsion on land, sea, or in the air or in combination thereof and vehicles of all description whether propelled or assisted by means of electricity.* *6. To carry on the business of Travel Agents and procure IATA licenses or other licenses or permits as required from time to time.*"
	Clause III of the Memorandum of Association was amended to delete sub-clauses III(B) and III(C)
	Clause IV of the Memorandum of Association was amended and substituted with the following: "*IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.*"
April 24, 2024	Clause V of our Memorandum of Association was amended to reflect the following: (a) increase in authorised share capital of our Company ₹ 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each; and (b) sub-division of the face value of equity shares of the Company from to ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each to ₹ 20,00,00,000 divided into 10,00,00,000 equity shares of ₹ 2 each.
May 15, 2024	Clause III(A) of the Memorandum of Association was amended to substitute sub-clause 1,3, 4, 5 and 6 with the following: *"1. To carry on the business of manufacturers, dealers, assemblers, importers and exporters of all types of automobile and automobile components including motor cars, motorcycles, scooters, mopeds, commercial vehicles and all articles and things used in manufacturing, maintenance and working thereof.* *3. To carry on the business of metal processing, metal coating, surface finishing such as paintings, electroplating, heat treatment, chemical treatment and to manufacture, deal, import export of electroplating and industrial chemicals, their machinery and spare parts including technical know-how used for the purpose of trunkey chemical projects.*

Date of Shareholder's resolution/Effective date	Particulars
	4. To carry on the business of manufacturers, suppliers, dealers, importers, exporters and exporters of all types of cycles, hand tools and hardware material. *5. To carry on the business as manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, brokers, repairers, cleaners or otherwise deal in the component manufacturing, assembling of parts of automobiles, motor cars, lorries, vans, motor cycles, three wheelers, e rickshaw, cycle-cars, motors, scooters and other vehicles suitable for propulsion on land, sea or in the air or in combination thereof and vehicles of all description whether propelled or assisted by means of electricity.* *6. To carry on the business of manufacturing of fabricated and painted or plated products for all purposes."*
	Clause III(A) of the Memorandum of Association was amended to include the following sub-clause 1A: *"1A. To carry on the business of manufacturers, dealers, importers and exporters of all types of Earthmoving equipments, Material handling equipments, off-road vehicles and its allied components."*

Major events and milestones of our Company

The table below sets forth some of the key events and milestones in our history:

Calendar Year	Major Events and Milestones
1988	Commenced manufacturing activities at our manufacturing unit, Pithampur Manufacturing Unit 1 situated at Plot No. 116, Industrial Growth Centre Pithampur, Sector-3, District Dhar 431 136, Madhya Pradesh, India.
	Entered into the 2W category with metal fabrication, metal finishing and assembly of components
1998	Commenced manufacturing units at our manufacturing unit, Aurangabad Manufacturing Unit 1 situated at B 31 Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
2007	Entered into the OHV category
2009	Entered into the PV category
2011	Commenced manufacturing at our manufacturing unit, Aurangabad Manufacturing Unit 2 situated at Plot No. B-17, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
	Entered into the 3W category
	Entered into the CV category
2013	Commenced manufacturing activities at our manufacturing unit, Aurangabad Manufacturing Unit 3 situated at Plot No. B-12 (Part-1), Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
2014	Entered into the AV category
2018	Commenced manufacturing activities at our manufacturing unit, Hosur Manufacturing Unit situated at Survey Nos. 477, 478, 476, 473, and 475/1, in Mathigiri Village of Hosur Taluk, Kelamangalam, District Krishnagiri, Tamil Nadu, India.
2019	Commenced manufacturing activities at our manufacturing unit, Pithampur Manufacturing Unit 2 situated at Plot No. 502, 503 and 504 Industrial Growth Centre Pithampur, Sector-3, District-Dhar, District Dhar 431 136, Madhya Pradesh, India.
2020	Entered into logistics service agreement with S.C. Cargo-Partner Expeditii SRL to service our customers in Romania.
	Entered into the 2W EV category
2023	Established our manufacturing unit, Aurangabad Manufacturing Unit 4 situated at Plot No. B-03, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
2024	Entered into logistics service agreement with Transelar GmbH to service our customers in Germany.

Awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2007	Obtained IATF 16949:2016 management system certificate for Aurangabad Manufacturing Unit 1
2010	Obtained ISO 9001:2015 management system certificate for Pithampur Manufacturing Unit 1 and Pithampur Manufacturing Unit 2
2012	Obtained IATF 16949:2016 management system certificate for Aurangabad Manufacturing Unit 2
2013	Obtained ISO 14001:2015 management system certificate for Aurangabad Manufacturing Unit 1 and Aurangabad Manufacturing Unit 2

Calendar Year	Awards, accreditations and recognition
	Obtained ISO 45001:2018 management system certificate for Aurangabad Manufacturing Unit 1 and Aurangabad Manufacturing Unit 2
2014	Received the BAL TPM award from Bajaj Auto for Aurangabad Manufacturing Unit 2
2016	Received the BAL TPM award from Bajaj Auto for Aurangabad Manufacturing Unit 1
	Received the BAL TPM Excellence Award from Bajaj Auto for Aurangabad Manufacturing Unit 2
2018	Received the CII-BE Star Recognition Award for promising performer of the year, from Confederation of Indian Industry for Aurangabad Manufacturing Unit 2
2020	"Best application and uses of digitation for human and machine safety" at Digitech Cluster of Technology Symposium, 2020, held by Confederation of Indian Industry for Aurangabad Manufacturing Unit 3
2022	Obtained IATF 16949:2016 management system certificate for Hosur Manufacturing Unit
	Obtained ISO 45001:2018 management system certificate for Pithampur Manufacturing Unit 1 and Pithampur Manufacturing Unit 2
	Obtained ISO 14001:2015 management system certificate for Pithampur Manufacturing Unit 1 and Pithampur Manufacturing Unit 2
	Received the 'Quality Platinum' award from Bajaj Auto for Aurangabad Manufacturing Unit 2
2023	Obtained ISO 9001:2015 management system certificate for Aurangabad Manufacturing Unit 3 and Aurangabad Manufacturing Unit 4
	Received the 'Quality Platinum' award from Bajaj Auto for Aurangabad Manufacturing Unit 1
	Received the 'Quality Platinum' award from Bajaj Auto for Aurangabad Manufacturing Unit 2
	Received the 'Quality Platinum' award from Bajaj Auto for Aurangabad Manufacturing Unit 3
2024	Received the quality management stamping award from Honda Motorcycle & Scooter Private Limited for Hosur Manufacturing Unit
	Super Platinum Award from Bajaj Auto for Aurangabad Manufacturing Unit 2

Significant financial and strategic partnerships

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

We have not experienced any time or cost overrun in setting up our projects as on the date of this Draft Red Herring Prospectus.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of plants of our Company, see "***Our Business***" beginning on page 252.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of key products launched by us and entry into new geographies or exit from existing markets, as applicable, see "***Our Business***" beginning on page 252.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of Draft Red Herring Prospectus:

Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale

As of the date of this Draft Red Herring Prospectus, our Promoters offering their Equity Shares in the Offer have not provided any guarantees to third parties.

Summary of key agreements and shareholders' agreement

There are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Key terms of other subsisting material agreements

Except as disclosed below, our Company has not entered into any subsisting material agreements with strategic partners, joint venture partners and/or financial partners other than in the ordinary course of business of our Company.

Deed of Partnership dated March 29, 2023, between Sachin Kapoor, Bindiya Narang, Sachin Bembi, Nishant Jairath and our Company ("Partnership Deed")

Our Company, Sachin Kapoor and Bindiya Narang entered into an agreement dated March 3, 2010, for carrying on the business of manufacturing and assembly of auto and engineering parts together in partnership under the name of Metalman Micro Turners (the "**Firm**"). Pursuant to the partnership deed our Company shall bear 50% of profits and losses of the Firm. Thereafter, pursuant to the deed of retirement dated March 29, 2023, Sachin Kapoor and Bindiya Narang agreed to retire from the Firm and, Sachin Bembi and Nishant Jairath were inducted as partners in accordance with the terms of the Partnership Deed dated March 29, 2023. Pursuant to the Partnership Deed, our Company shall bear 98% of the profits and losses of the Firm.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Subsidiaries, joint ventures, associates and partnership firms

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiaries, joint ventures or associates. As on the date of this Draft Red Herring Prospectus, our Company is a partner of a partnership firm, as set out below, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information:

Metalman Micro Turners ("MMT")

Corporate information

Its registered office is situated at Ground Floor, JMK Tower, Kapashera Estate, 44/5, N.H. 8, Delhi-Gurugram Border, New Delhi 110037, Delhi, India. MMT is primarily engaged in the business of manufacturing and assembly of auto and engineering parts as authorized under the partnership deed dated December 29, 2023.

Capital contribution

As on the date of this Draft Red Herring Prospectus, the partners of MMT are our Company, Sachin Bembi and Nishant Jairath, who have contributed ₹ 1,164.58 million, ₹ 1.97 million and ₹ 1.97 million, constituting 98%, 1% and 1%, respectively.

Amount of accumulated profits or losses

There are no accumulated profits or losses of MMT that have not been accounted for by our Company

Confirmations

Interest in our Company

As on the date of this Red Herring Prospectus, except as disclosed in "***Other Financial Information – Related Party Transactions***" and "***– Key terms of other subsisting material agreements - Deed of Partnership dated March 29, 2023, between Sachin Kapoor, Bindiya Narang, Sachin Bembi, Nishant Jairath and our Company***" on page 296, MMT does not have any: (a) business interest in our Company; or (b) related business transactions with our Company.

Common Pursuits

As on the date of this Draft Red Herring Prospectus, MMT is authorized to engage in and is engaged in business similar to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any situations of conflict of interest, if and when they arise.

As on the date of this Draft Red Herring Prospectus, MMT is not listed in India or abroad.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorized to have a minimum of three Directors and a maximum of 15 Directors. As on the date of this Draft Red Herring Prospectus, we have 10 Directors on our Board comprising five Whole-Time Directors and five Independent Directors, including one woman Independent Director.

Our Board

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

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Bikramjit Bembi *Designation:* Chairman and Whole-Time Director *Address:* House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India *Occupation:* Business *Date of Birth:* May 8, 1950 *Term:* Five years with effect from December 21, 2022, liable to retire by rotation *Period of Directorship:* Director since May 16, 1986 *DIN:* 01677152	74	*Indian Companies* Nil *Foreign Companies* Nil
Navneet Jairath *Designation:* Managing Director *Address:* House No. 20-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India *Occupation:* Business *Date of Birth:* January 24, 1950 *Term:* Five years with effect from December 21, 2022 *Period of Directorship:* Director since May 16, 1986 *DIN:* 01620652	74	*Indian Companies* Nil *Foreign Companies* Nil
Sachin Bembi *Designation:* Whole-Time Director *Address:* House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India *Occupation:* Business *Date of Birth:* September 30, 1976 *Term:* Five years with effect from April 1, 2024, liable to retire by rotation *Period of Directorship:* Director since February 1, 2002	47	*Indian Companies* Nil *Foreign Companies* Nil

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
DIN: 01654848		
Nishant Jairath *Designation:* Whole-Time Director *Address:* G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India *Occupation:* Business *Date of Birth:* October 22, 1983 *Term:* Five years with effect from April 1, 2024, liable to retire by rotation *Period of Directorship:* Director since June 1, 2007 *DIN:* 01682658	40	*Indian Companies* • Excelleta Tech Private Limited *Foreign Companies* Nil
Shrikant Gulabchand Mundada *Designation:* Whole-Time Director *Address:* Plot No. 61, Om Shree, Lokmat Nagar Town Centre, CIDCO Colony, Aurangabad 431 003, Maharashtra, India *Occupation:* Service *Date of Birth:* April 30, 1966 *Term:* Three years with effect from August 1, 2024, liable to retire by rotation *Period of Directorship:* Director since November 4, 2019 *DIN:* 07900129	58	*Indian Companies* • Marathwada Environmental Care Cluster *Foreign Companies* Nil
Anadi Saran Pande *Designation:* Independent Director *Address:* Flat No. 5504, Faculty Residence Block, IIM Lucknow Noida Campus, B-1 Institutional Area, Sector 62, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India *Occupation:* Service *Date of Birth:* December 21, 1961 *Term:* Five years with effect from April 2, 2024 *Period of Directorship:* Director since April 2, 2024 *DIN*: 08507928	62	*Indian Companies* • IIM Lucknow Enterprise Incubation Centre *Foreign Companies* Nil
Neetika Batra *Designation:* Independent Director *Address:* House No. C-114, Ground Floor, Suncity, Sector 54, Gurugram 122 001, Haryana, India *Occupation:* Academics and consulting	56	*Indian Companies* • Munjal Showa Limited • Shivam Autotech Limited *Foreign Companies*

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Date of Birth: September 5, 1967 *Term:* Five years with effect from June 23, 2024 *Period of Directorship:* Director since June 23, 2024 *DIN:* 10219725		Nil
Rajan Wadhera *Designation:* Independent Director *Address:* 3003,B Wing, Oberoi Exquisite, 590, Village Dindoshi, Oberoi Garden City, Goregaon (E), Mumbai 400 063, Maharashtra, India *Occupation:* Advisor *Date of Birth:* July 10, 1956 *Term:* Five years with effect from May 14, 2024 *Period of Directorship:* Director since May 14, 2024 *DIN:* 00416429	68	*Indian Companies* • Ajax Engineering Private Limited • GNA Axels Limited *Foreign Companies* Nil
Rajnish Magan *Designation:* Independent Director *Address:* House No. C-3/1202, Parsvnath Exotica, Golf Course Road, Sector 53, Gurugram 122 011, Haryana, India *Occupation:* Retired *Date of Birth:* September 12, 1965 *Term:* Five years with effect from February 23, 2024 *Period of Directorship:* Director since February 23, 2024 *DIN:* 10518536	58	*Indian Companies* Nil *Foreign Companies* Nil
Sushil Kumar Singh *Designation:* Independent Director *Address:* D2-502, Summer Palms, Sector 86, Kheri Kalan (113), Faridabad 121 002, Haryana, India *Occupation:* Professional *Date of Birth:* December 13, 1978 *Term:* Five years with effect from January 15, 2024 *Period of Directorship:* Director since January 15, 2024 *DIN:* 09197098	45	*Indian Companies* Nil *Foreign Companies* Nil

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, supplier or others.

Brief profiles of our Directors

Bikramjit Bembi is the Chairman and Whole-Time Director on our Board. He is also one of the Promoters and a founder of our Company. He has been associated with our Company since its inception as a Director and Promoter. He has passed the examination for a bachelor's degree in science from the Panjab University, Chandigarh, India. He was elected a licentiate of the Institute of Metal Finishing. He has experience in the metal fabrication, metal finishing and assembly sector.

Navneet Jairath is the Managing Director on our Board. He is also one of the Promoters and a founder of our Company. He has been associated with our Company since its inception as a Director and Promoter. He has completed the industrial entrepreneurship course conducted by Small Industries Service Institute, Small Scale Industries Development Organization, Ministry of Industrial Development, Government of India and the Program on Production Management for India (IDPM-2) conducted by the Association for Overseas Technical Scholarship, Japan. He does not otherwise hold any formal educational qualifications. He was awarded the Entrepreneur of the Year award by the Ludhiana Management Association in 2017. He has experience in the metal fabrication, metal finishing and assembly sector.

Sachin Bembi is a Whole-Time Director on our Board. He is also one of the Promoters of our Company. He has been associated with our Company as a Director since February 1, 2002. He holds a bachelor's degree in business administration from The American College in London, London, United Kingdom wherein he featured on the dean's list and graduated with *magna cum laude* honors. He also holds a diploma in business studies from Greenwich College, Greenwich, London, United Kingdom. He has experience in the metal fabrication, metal finishing and assembly sector.

Nishant Jairath is a Whole-Time Director on our Board. He is also one of the Promoters of our Company. He has been associated with our Company as a Director since June 1, 2007. He has completed a business information systems programme from De Montfort University, Leicester, United Kingdom. He has also completed a certificate program in Financial Management from Cornell University, Ithaca, New York, U.S.A. He has also completed MIT Horizon Deep Tech and Innovation Workshop from MIT Horizon, Massachusetts Institute of Technology, Cambridge, Massachusetts, United States of America. He is currently the co-chairperson of the ACMA Digital Committee and previously served as the co-chairperson of Automotive Component Manufacturers Association of India and as the chairperson of its Young Business Leaders' Forum. He has experience in the metal fabrication, metal finishing and assembly sector and leads the digitization strategy at our Company.

Shrikant Gulabchand Mundada is a Whole-Time Director on our Board. He has been associated with our Company as a Director since November 4, 2019. He holds a bachelor's degree in engineering (mechanical) and a diploma in business management from Marathwada University, Aurangabad, Maharashtra, India. He has completed The Program on Production Management for India organized by The Association for Overseas Technical Cooperation and Sustainable Partnerships. He is a director of Marathwada Environmental Care Cluster and is the chairperson of the Institute Management Committee. He was awarded the Best Coordinator Award for excellent implementation of ACT Advance Cluster program towards "LEAN" during June 2007 – May 2009 by ACMA Centre of Technology in 2019 and the Corporate Citizen Award by Chamber of Marathwada Industries and Agriculture in 2018. He has experience in the auto-components sector.

Anadi Saran Pande is an Independent Director on our Board. He has been associated with our Company as a Director since April 2, 2024. He holds a bachelor's degree in technology (mechanical engineering) from the Indian Institute of Technology (Benares Hindu University), Varanasi, Uttar Pradesh, India, a doctorate of philosophy in public administration from University of Lucknow, Lucknow, Uttar Pradesh, India and a diploma in business management from Symbiosis Institute of Management, University of Poona, Pune, Maharashtra, India. He is currently on the board of IIM Lucknow Enterprise Incubation Centre and was previously a professor of strategic management at the India Institute of Management, Lucknow at Noida Campus, Noida, Uttar Pradesh, India. He was also previously associated with Hero Cycles Limited as director – corporate strategy and corporate human resources, Avocet Sports Limited as a director on their board of directors, Larsen & Toubro Limited and Hero Motocorp Limited as vice president human resource management, and corporate planning and strategy, respectively, and Tata Engineering and Locomotive Company Limited as divisional manager. He has experience in auto-components sector.

Neetika Batra is an Independent Director on our Board. She has been associated with our Company as a Director since June 23, 2024. She holds a bachelor's degree in commerce (honours) from Shri Ram College of Commerce, University of Delhi, Delhi, India, a master's degree in finance and control from University of Delhi South Campus, Delhi, India and a doctorate of philosophy in *Directed Credit Programs: A Study of Lending in Indian Banking* from Department of Financial Studies, Delhi University, Delhi, India. She is currently adjunct faculty and program chair and previously served as the dean at the School of Inspired Leadership, Institute of Management, Gurugram, Haryana India. She was previously associated with SBI Capital Markets Limited as a vice president. She has experience in the financial services sector and academia.

Rajan Wadhera is an Independent Director on our Board. He has been associated with our Company as a Director since May 14, 2024. He holds a bachelor's degree of technology in aeronautical engineering from the Indian Institute of Technology, Bombay, Mumbai, Maharashtra, India and a master's degree in technology with specialization in aircraft propulsion from the Indian Institute of Technology, Bombay, Mumbai, Maharashtra, India. He was previously associated with Mahindra and Mahindra Limited as president, automotive and farm equipment sectors and Eicher Motors Limited as director – supply chain. He has experience in the automotive components sector.

Rajnish Magan is an Independent Director on our Board. He has been associated with our Company as a Director since February 23, 2024. He holds a bachelor's degree in commerce (honours) from University of Delhi, Delhi, India. He holds a post graduate diploma in management from Amity Business School, Noida, Uttar Pradesh, India. He is a chartered global management accountant, a chartered management accountant and a member of CPA Australia and is entitled to use the designation of Fellow Certified Practising Accountant ("**FCPA**"). He has completed a strategic leadership programme in strategy and finance acumen conducted by Indian Institute of Management, Ahmedabad, Gujarat. He was previously associated with Beumer India Private Limited as chief financial officer, Siemens Limited as general manager – business administration, Angelique International Limited as general manager and RITES Limited as manager (accounts). He also acted as a finance expert and consultant to the Delhi Metro Rail Corporation Limited. He was awarded the "Great Indian Finance Leader" award for his role as business advisor to Three D Integrated Solutions Limited by Transformance in 2024. As the chief financial officer of Beumer India Private Limited, he was recognised as one of "India's 5 Most Visionary CFOs to Watch in 2021" by Insightssuccess in 2021, the "Risk Management Icon – CFO Power List" award by Centre of Recognition and Excellence in 2020 and the "CFO Excellence in Consistency in Liquidity Management" award by National Awards for Excellence in CFO in 2020. He has experience in the financial accounting and consulting, infrastructure and manufacturing sectors.

Sushil Kumar Singh is an Independent Director on our Board. He has been associated with our Company as a Director since January 15, 2024. He is a fellow member of the Institute of Chartered Accountants of India. He is also a partner with Sushil Singh & Associates, Chartered Accountant. He has experience in accounting and financial services.

Relationship between Directors, Key Managerial Personnel and Senior Management

Except as set forth below, none of our Directors, Key Managerial Personnel and Senior Management are related to each other:

Director/Key Managerial Personnel	Relative	Nature of Relationship
Bikramjit Bembi *Chairman and Whole-Time Director*	Sachin Bembi	Son
Navneet Jairath *Managing Director*	Nishant Jairath	Son
Sachin Bembi *Whole-Time Director*	Bikramjit Bembi	Father
Nishant Jairath *Whole-Time Director*	Navneet Jairath	Father

Terms of appointment of our Directors

Terms of appointment and remuneration details of our Managing Director

Navneet Jairath

Pursuant to resolutions passed by our Board on July 26, 2024 and by our Shareholders on July 27, 2024, Navneet Jairath is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 9,600,000 per annum
Special allowance	₹ 3,200,000 per annum
Provident fund	₹ 1,152,000 per annum
Total	**₹ 13,952,000 per annum**

Navneet Jairath received an aggregate remuneration of ₹ 13.90 million in Financial Year 2024 from our Company.

Terms of appointment and remuneration details of our Whole-Time Directors

Bikramjit Bembi

Pursuant to resolutions passed by our Board on July 26, 2024 and by our Shareholders on July 27, 2024, Bikramjit Bembi is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 9,600,000 per annum
Special allowance	₹ 3,200,000 per annum
Provident fund	₹ 1,152,000 per annum
Total	**₹ 13,952,000 per annum**

Bikramjit Bembi received remuneration of ₹ 13.92 million in Financial Year 2024 from our Company.

Sachin Bembi

Pursuant to resolutions passed by our Board on July 26, 2024 and by our Shareholders on July 27, 2024, Sachin Bembi is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 6,000,000 per annum
Special allowance	₹ 3,200,000 per annum
Provident fund	₹ 720,000 per annum
Perks, such as, rent free furnished accommodation	₹ 4,800,000 per annum
Total	**₹ 14,720,000 per annum**

Sachin Bembi received remuneration of ₹ 9.92 million in Financial Year 2024 from our Company.

Nishant Jairath

Pursuant to resolutions passed by our Board on July 26, 2024 and by our Shareholders on July 27, 2024, Nishant Jairath is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 6,000,000 per annum
Special allowance	₹ 3,200,000 per annum
Provident fund	₹ 720,000 per annum
Perks, such as, rent free furnished accommodation	₹ 4,800,000 per annum
Total	**₹ 14,720,000 per annum**

Nishant Jairath received remuneration of ₹ 10.00 million in Financial Year 2024 from our Company.

Shrikant Gulchand Mundada

Pursuant to resolutions passed by our Board on July 26, 2024 and by our Shareholders on July 27, 2024, Shrikant Gulchand Mundada is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 2,933,280 per annum
Special allowance	₹ 3,604,200 per annum
Provident fund	₹ 21,600 per annum
Other allowances	₹ 715,219 per annum
Variable pay	₹ 4,500,000 per annum
Total	**₹ 11,774,299 per annum**

Shrikant Gulchand Mundada received remuneration of ₹ 11.69 million in Financial Year 2024 from our Company.

Terms of appointment and remuneration details of our Independent Directors

As on the date of this Draft Red Herring Prospectus, pursuant to a resolution passed by our Board on April 2, 2024, our Independent Directors are each entitled to receive a sitting fee of ₹ 0.09 million for attending each meeting of our Board and ₹ 0.06 for attending each meeting of a committees constituted by the Board.

Except as disclosed below, none of our Independent Directors were paid any sitting fees or commissions in Financial Year 2024:

(in ₹ million)

Sr. No.	Name of the Independent Director	Remuneration
1.	Anadi Saran Pande	Nil*
2.	Neetika Batra	Nil*
3.	Rajan Wadhera	Nil*
4.	Rajesh Magan	Nil
5.	Sushil Kumar Singh	Nil

* *Appointed in Financial Year 2025*

Contingent and deferred compensation payable to Directors

No contingent or deferred compensation is payable to any of our Directors for Financial Year 2024.

Remuneration paid or payable to our Directors from subsidiary or associate company

As on the date of the Draft Red Herring Prospectus, our Company does not have any subsidiary or associate companies. Metalman Micro Turners, a partnership firm, in which our Company is a partner, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information. No remuneration, sitting fees or commission was paid or payable by Metalman Micro Turners to any of our Directors in Financial Year 2024.

Bonus or profit-sharing plan for our Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as set forth in "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 104, none of our Directors hold any Equity Shares.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof. Our Directors are also interested in our Company to the extent that: (i) either they, or any of their relatives, hold any direct or indirect shareholding or other securities in our Company, and any dividends or any other distributions payable in respect thereof; (ii) any directorships that they may hold in our Company; and (iii) partnerships held by Sachin Bembi and Nishant Jairath Metalman Micro Turners; (iv) and to the extent of any remuneration payable to them in this regard. See "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 104.

Certain of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase/sale of goods and/or services. See "***Other Financial Information – Related Party Transactions***" on page 404.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in promotion of our Company

None of our Directors, except our Promoters, Navneet Jairath, Sachin Bembi, Nishant Jairath and Bikramjit Bembi have any interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

Interest in property

Except as set forth below and as disclosed in "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures***" on page 377, none of our Directors are interested in any property acquired by our Company in the preceding three years, or proposed to be acquired by it:

Our Company sold the flat at G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India, that was previously used by our Company for the purposes of a guest house for our Directors, Key Managerial Personnel and Senior Management, to our Promoter and Whole-Time Director, Nishant Jairath pursuant to a deed dated April 16, 2024 for a consideration of ₹ 120.00 million (exclusive of stamp duty).

Interest in acquisition of land, construction of building or supply of machinery, etc.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

Business interest

Except as stated in "***Other Financial Information – Related Party Transactions***" on page 404 and otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

Loans to Directors

As on the date of this Draft Red Herring Prospectus, no outstanding loans have been availed of by our Directors from our Company.

Confirmations

None of our Directors are, or for the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any stock exchange, during their tenure as a director in such company.

None of our Directors has been or is a director on the board of directors of any listed company that has been delisted from any stock exchange, during their tenure as a director in such company

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date of Change	Reasons
Shrikant Gulabchand Mundada	August 1, 2024	Appointment as a Whole-Time Director
Satish Kumar Pandey	January 15, 2024	Resignation as director due to pre-occupation in other engagements
Sushil Kumar Singh	January 15, 2024	Appointment as an Independent Director(1)
Rajnish Magan	February 23, 2024	Appointment as an Independent Director(1)
Anoop Kumar Gwal	February 23, 2024	Resignation as director due to pre-occupation in other engagements
Anadi Saran Pande	April 2, 2024	Appointment as an Independent Director(1)
Rajan Wadhera	May 14, 2024	Appointment as an Independent Director(1)
Neetika Batra	June 23, 2024	Appointment as an Independent Director(1)

(1) Regularized as an Independent Director pursuant to resolutions passed in the extraordinary general meeting dated July 3, 2024.

Borrowing Powers

Pursuant to our Articles of Association, a resolution of our Board dated July 11, 2024 and a resolution adopted by our Shareholders on July 12, 2024, our Board may borrow money for and on behalf of our Company, from time to time as deemed by it to be requisite and proper, such that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from the temporary loans obtained from the bankers of our Company in the ordinary course of business) at any time may do not exceed ₹ 4,500.00 million, irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of our Company and its free reserves.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have ten Directors on our Board comprising five Whole-Time Directors and five 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, as required under law.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board Committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Risk Management Committee; and
- Corporate Social Responsibility Committee.

Audit Committee

The Audit Committee was constituted by our Board at its meeting held on June 27, 2024. The composition and terms of the Audit Committee are in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Director	Designation
1.	Sushil Kumar Singh	Chairperson
2.	Rajnish Magan	Member
3.	Anadi Saran Pande	Member

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to our Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of our Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions; and
   g. modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval of any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company, subject to the conditions as may be prescribed ;

   Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of our Company, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow-up thereon;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) reviewing the functioning of the whistle blower mechanism;

(19) monitoring the end use of funds through public offers and related matters;

(20) overseeing the vigil mechanism established by our Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(21) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(22) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision; and

(23) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(24) approving the key performance indicators for disclosure in the offer documents; and

(25) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

(26) Such roles as may be prescribed under the Companies Act, 2013, SEBI Listing Regulations and other applicable law.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;

- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:

  a. 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 the SEBI Listing Regulations;
  b. annual statement of funds utilised for purposes other than those stated in the Offer document/prospectus/notice in terms of the SEBI Listing Regulations.

- Review the financial statements, in particular, the investments made by any unlisted subsidiary

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2024. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Director	Designation
1.	Rajnish Magan	Chairperson
2.	Sushil Kumar Singh	Member
3.	Anadi Saran Pande	Member

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of our Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

- For appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of 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 Nomination and Remuneration Committee may:

  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.

- Formulation of criteria for evaluation of independent directors and the Board;

- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

- 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;

- Recommend to the board, all remuneration, in whatever form, payable to senior management;

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that-
  a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

- 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, as amended, including the following:

  a. administering the employee stock option plans of our Company, as may be required;
  b. determining the eligibility of employees to participate under the employee stock option plans of our Company;
  c. granting options to eligible employees and determining the date of grant;
  d. determining the number of options to be granted to an employee;
  e. determining the exercise price under the employee stock option plans of our Company; and
  f. construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.

- frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

  b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.

- carrying out any other activities as may be delegated by the Board and other functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2024. The composition and terms of reference of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Director	Designation
1.	Anadi Saran Pande	Chairperson
2.	Rajan Wadhera	Member
3.	Neetika Batra	Member

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;

- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

- formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent;
- to dematerialize or rematerialize the issued shares;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of ***our*** company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2024. The composition and terms of reference of the Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Director	Designation
1.	Rajan Wadhera	Chairperson
2.	Neetika Batra	Member
3.	Rajnish Magan	Member

Scope and terms of reference:

The role and responsibility of the Risk Management Committee shall be as follows:

- Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- Keep the Board of directors of our Company informed about the nature and content of its discussions, recommendations and actions to be taken; and
- Review the appointment, removal and terms of remuneration of the chief risk officer (if any).
- To implement and monitor policies and/or processes for ensuring cyber security;
- Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted pursuant to a resolution passed by our Board at its meeting held on June 27, 2024. The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

S. No.	Director	Designation
1.	Neetika Batra	Chairperson
2.	Sushil Kumar Singh	Member
3.	Rajan Wadhera	Member

Scope and terms of reference:

The Corporate Social Responsibility Committee shall be authorized to perform the following functions:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act;

2. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

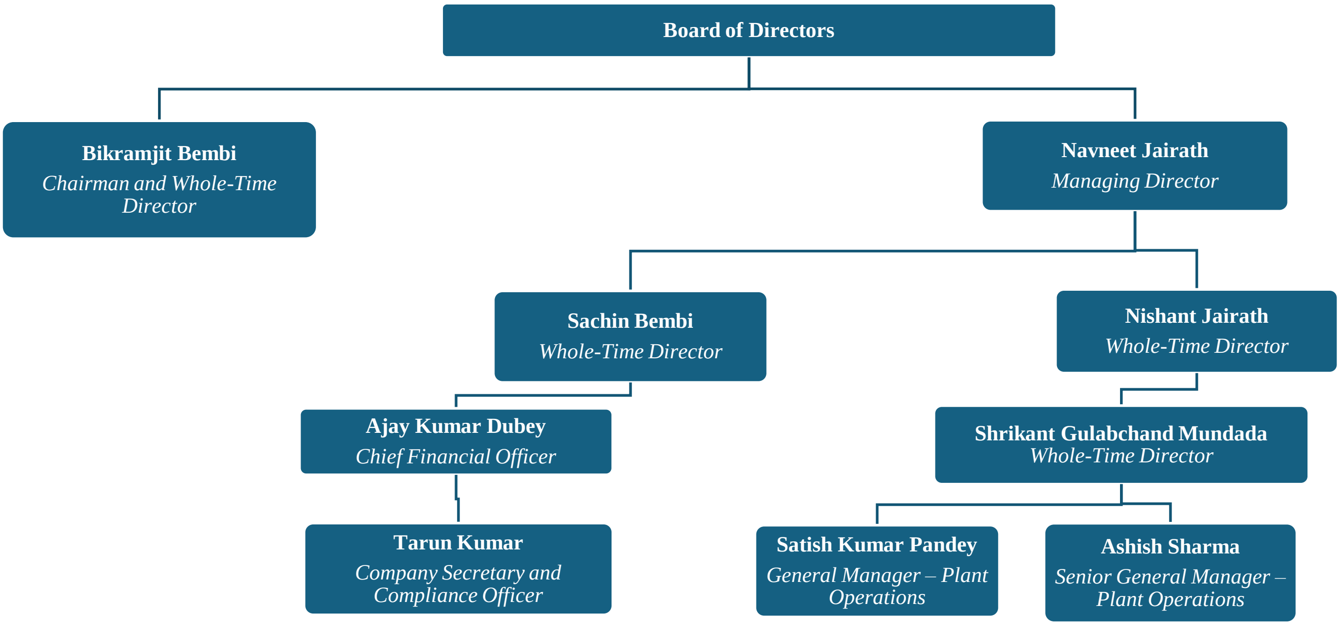
3. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

4. monitor the corporate social responsibility policy of our Company and its implementation from time to time;

5. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time; and

6. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Management Organisation Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to the Managing Director of our Company, Navneet Jairath and the Whole-Time Directors of our Company, Bikramjit Bembi, Sachin Bembi, Nishant Jairath and Shrikant Gulchand Mundada, whose details are disclosed under "*– Brief profiles of our Directors*" and "*– Terms of Appointment of our Directors*" on pages 301 and 303, respectively, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Ajay Kumar Dubey is the Chief Financial Officer of our Company. He joined our Company on January 2, 2019. He is responsible for, among other things, the finance, accounting, legal, financial planning, financial management, and accounts functions in our Company. He holds a bachelor's degree in commerce and a master's degree in commerce both from Dr. Ram Manohar Lohia Avadh University, Ayodhya, Uttar Pradesh, India, a master's degree in business administration from Sikkim Manipal University, Gangtok, Sikkim, India and a doctorate of philosophy in commerce from the Uttar Pradesh Rajarshi Tandon Open University, Prayagraj, Uttar Pradesh, India. He is also a member of the Institute of Cost Accountants of India. He was previously associated with Beumer India Private Limited as head of department - BIL, costing, controlling and indirect taxation, Exicom Tele-Systems Limited as manager, Sunbeam Auto Private Limited as manager (accounts), Stork Rubber Products Private Limited as assistant manager and ATFS Multi Services Private Limited as accounts manager. He was awarded the CFO of the Year for Dynamic Leadership at the Gain Skills 3rd NXTGENCFO Awards 2024. He received an aggregate remuneration of ₹ 3.61 million from our Company in Financial Year 2024.

Tarun Kumar is the Company Secretary and Compliance Officer of our Company. He joined our Company on February 5, 2024. He is responsible for, *inter alia*, secretarial and compliance management and due diligence in our Company. He holds a bachelor's degree in commerce (honours) from Sido Kanhu Murmu University, Dumka, Jharkhand, India and a bachelor's degree in law from Faculty of Law, University of Delhi, New Delhi, India and is also a member of the Institute of Company Secretaries of India. He has completed various certification examinations, such as, registrar to an issue and share transfer agents – corporate certification examination, merchant banking certification examination, securities intermediaries compliance (non-fund) certification examination and securities operations and risk management certification examination from National Institute of Securities Market, Mumbai, Maharashtra, India. He has also completed a certificate course on certified CSR professionals conducted by the Institute of Company Secretaries of India. He was previously associated with JSW

Techno Projects Management Limited as senior manager in accounts and finance, GTPL Hathway Private Limited as senior manager – accounts and finance, Karamtara Engineering Private Limited as assistant general manager and Munjal Kiriu Industries Private Limited as assistant manager – I (company secretary). He received an aggregate remuneration of ₹ 0.44 million from our Company in Financial Year 2024.

Senior Management

In addition to our Chief Financial Officer, Ajay Kumar Dubey and our Company Secretary and Chief Compliance Officer, Tarun Kumar, who are also our Key Managerial Personnel and whose details have been disclosed in "***- Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 313, the details of our Senior Management as on the date of this Red Herring Prospectus are set forth below:

Ashish Sharma is the Senior General Manager – Plant Operations of our Company. He joined our Company on July 3, 1997. He is responsible for overseeing all aspects of production, quality control, supply chain management, customer relations of the entire automotive business of our Company. He is also responsible for operations across all our manufacturing units. He does not hold any formal educational qualifications. He is a member of the Technical Committee for the Implementation of Remedial Action Plan at Local Level, Maharashtra Pollution Control Board. He received an aggregate remuneration of ₹ 5.02 million from our Company in Financial Year 2024.

Satish Kumar Pandey is the General Manager – Plant Operations of our Company. He joined our Company on December 7, 2017. He is responsible for overseeing production, quality control, supply chain management, customer relations of the off-highway vehicles division of our Company. He has passed the examination for bachelor's degree in engineering from Faculty of Engineering and Technology, Nagpur University, Nagpur, Maharashtra, India. He holds a post graduate diploma in business administration from the Symbiosis Centre of Distance Learning, Pune, Maharashtra, India and a diploma in international welding technology from the International Institute of Welding-ANB, Mukundapur, Kolkata, India. He has also completed a certificate programme in leadership and change management conducted by the Indian Institute of Management, Indore, Madhya Pradesh, India and completed online training on "Towards Zero Defects in Welding Applications" conducted by the IMTMA Technology Centre, Indian Machine Tool Manufacturers' Association, Gurugram, Haryana, India. He was previously associated with Atul Auto Limited as an engineer in the fabrication department, with Lohia Starlinger Limited as deputy manager – fabrication, with Era Buildsys Limited as additional manager – production, with Mitaso Autotech Private Limited as assistant manager (production), with Model Infra Corporation Private Limited as assistant general manager and with RSB Transmissions (I) Limited as manager. He received an aggregate remuneration of ₹ 2.94 million from our Company in Financial Year 2024.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Relationship among Key Managerial Personnel and/or Senior Management

None of our Key Managerial Personnel or Senior Management are related to each other or any of the Directors, except as stated in "***– Relationship between Directors, Key Managerial Personnel and Senior Management***" on page 302.

Bonus or profit-sharing plan for Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and members of Senior Management are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

No contingent or deferred compensation was payable to any of our Key Managerial Personnel for Financial Year 2024.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed in "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 104, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and members of Senior Management are governed by the respective terms of their appointment letters and have not entered into any other service contracts with our Company. None of the Key Managerial Personnel or members of Senior Management of our Company are entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Interest of Key Managerial Personnel and Senior Management

Except as provided in "***– Interest of Directors***" on page 304 and to the extent of the remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business, none of our Key Managerial Personnel have any interest in our Company.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel or members of the Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

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

Changes in Key Managerial Personnel during the last three years

Except as stated below and in "***– Changes in our Board during the last three years***" on page 305, there has been no change in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of Key Managerial Personnel/Senior Management	Date of Change	Reasons
Tarun Kumar	June 27, 2024	Appointment as Company Secretary and Compliance Officer
Ajay Kumar Dubey	June 27, 2024	Appointment as Chief Financial Officer

Payment or Benefit to Key Managerial Personnel and Senior Management of our Company

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Bikramjit Bembi, Navneet Jairath, Sachin Bembi and Nishant Jairath are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters, collectively hold 57,510,540 Equity Shares, representing 70.50% of the issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters – Build-up of our Promoters' shareholding in our Company***" on page 100.

Details of our Promoters

Bikramjit Bembi

Bikramjit Bembi born on May 8, 1950, aged 74 years, is the Chairman and Whole-Time Director of our Company. He is a resident of House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India. For the complete profile of Bikramjit Bembi, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorship, other directorship, special achievements, his business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 301. The permanent account number of Bikramjit Bembi is ABJPB4786C.

Navneet Jairath

Navneet Jairath born on January 24, 1950, aged 74 years, is the Managing Director of our Company. He is a resident of House No. 20-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India. For the complete profile of Navneet Jairath, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorship, other directorship, special achievements, his business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 301. The permanent account number of Navneet Jairath is ABMPJ9083D.

Sachin Bembi

	Sachin Bembi born on September 30, 1976, aged 47 years, is the Whole-Time Director of our Company. He is a resident of House No. 23-J, Sarabha Nagar, Ludhiana 141 001, Punjab, India. For the complete profile of Sachin Bembi, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorship, other directorship, special achievements, his business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 301. The permanent account number of Sachin Bembi is AASPB0164B.
Nishant Jairath	
	Nishant Jairath born on October 22, 1983, aged 40 years, is the Whole-Time Director of our Company. He is a resident of G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India. For the complete profile of Nishant Jairath, along with the details of his educational qualification, experience in the business, positions/posts held in past, directorship, other directorship, special achievements, his business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 301. The permanent account number of Nishant Jairath is ADOPJ6538R.

Our Company confirms that the permanent account number, bank account number, Aadhaar card number, passport number and driving license number of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in the control of our Company during the immediately preceding five years. However, pursuant to a resolution passed by the Board of Directors dated March 22, 2024 Bikramjit Bembi, Navneet Jairath, Nishant Jairath and Sachin Bembi have been identified as Promoters. Accordingly, as on the date of this Draft Red Herring Prospectus, our Company has four Promoters.

Interest of our Promoters

(a) Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) that either they, or any of their relatives, hold any direct or indirect shareholding or other securities in our Company, and any dividends or any other distributions payable in respect thereof; (iii) any directorships that they may hold in our Company or subsidiary, and to the extent of remuneration payable to them in this regard. For details of the Promoters' shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Build-up of our Promoters' shareholding in our Company***" on page 100. For details of the interest of our Promoters as Directors of our Company, see "***Our Management – Interest of Directors***" on page 304.

(b) Our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

(c) Our Company sold the flat at G-902, Caitriona Ambience Island, Gurugram 122 001, Haryana, India, that was previously used by our Company for the purposes of a guest house for our Directors, Key Managerial Personnel and Senior Management, to our Promoter and Whole-Time Director, Nishant Jairath pursuant to a deed dated April 16, 2024 for a consideration of ₹ 120.00 million (exclusive of stamp duty).

(d) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are a member, in cash or shares or otherwise by any person for services rendered by such Promoters or by such firm or company in connection with the promotion or formation of our Company.

(e) Our Promoters may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. See "***Other Financial Information – Related Party Transactions***" on page 404.

Payment or benefits to our Promoters or our Promoter Group

Except as disclosed in "***Other Financial Information – Related Party Transactions***" on page 404, our Company has not entered into any contract, agreements or arrangements in the two preceding years in which our Promoters are directly or indirectly interested, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to the Promoters and the members of the Promoter Group or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus**.**

Disassociation by our Promoters in the three immediately preceding years

Our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years.

Promoter Group

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulations 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoters, are as follows:

Name of Promoter	Name of relative	Relationship
Bikramjit Bembi	Savita Bembi	Spouse
	Vyas Dev Bembi	Brother
	Ravi Bembi	Brother
	Anuj Kumar Bembi	Brother
	Sachin Bembi	Son
	Sonia Bembi Seth	Daughter
	Satish Chandra Duggal	Spouse's brother
	Navita Jairath	Spouse's sister
Navneet Jairath	Navita Jairath	Spouse
	Kuldip Kumar Jairath	Brother
	Tilak Raj Jairath	Brother
	Reema Chaddha	Sister
	Nishant Jairath	Son
	Nisha Jairath	Daughter
	Satish Chandra Duggal	Spouse's brother
	Savita Bembi	Spouse's sister
Sachin Bembi	Bikramjit Bembi	Father
	Savita Bembi	Mother

	Nitasha Bembi	Spouse
	Sonia Bembi Seth	Sister
	Sanchit Bembi	Son
	Sanshray Bembi	Son
	Munish Malhotra	Spouse's brother
	Monica Mehra	Spouse's sister
Nishant Jairath	Navneet Jairath	Father
	Navita Jairath	Mother
	Gunjan Jairath	Spouse
	Nisha Jairath	Sister
	Vedant Jairath	Son
	Samikshak Jairath	Son
	Vanya Jairath	Daughter
	Dinesh Ralhan	Spouse's father
	Meenakshi Ralhan	Spouse's mother
	Saurabh Ralhan	Spouse's brother

Entities forming part of the Promoter Group

1. Avid Ventures;
2. Campbell International;
3. Excelleta Tech Private Limited;
4. Insightful Systems Private Limited;
5. Jade Ventures;
6. MMT Autocomp; and
7. National Industries.

DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on August 9, 2024 ("**Dividend Policy**"). In terms of the Dividend Policy, the declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws including the Companies Act, read with the rules notified thereunder, each as amended.

Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited to, earning stability, past dividend trends, free cashflow for the period under consideration, debt repayment obligations, profitability of our Company during the period under consideration and external factors, including but not limited to the macro-economic environment, market conditions, prevailing legal requirements and regulatory conditions or restrictions laid down under the applicable laws including tax laws and industry outlook for business in which our Company operates. Additionally, we may retain all our future earnings, if any, for any proposed or ongoing or planned business expansion or for any other purposes which may be considered by the Board subject to compliance with the provisions of the Companies Act, 2013. In addition, the ability of our Company to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our funding requirements for our business activities. For details in relation to risks involved in this regard, see "***Risk Factors – We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements.***" and "***Financial Indebtedness***" on pages 68 and 442, respectively.

Our Company has not declared any dividends in the last three Financial Years, until the date of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Examination Report of Independent Auditors on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies and other explanatory information of Metalman Auto Limited (formerly as Metalman Auto Private Limited), and its subsidiary/ associate

The Board of Directors
Metalman Auto Limited
(Formerly Metalman Auto Private Limited)
JMK Towers, NH-8, First Floor,
Mustail No. 44, Killa No. 5,
Village Kapashera,
New Delhi – 110 037, India

Dear Sirs/ Madams,

1. We, "M S K A & Associates", Chartered Accountants ("**we**" or "**us**" or "**our**" or "**Firm**"), have examined the Restated Consolidated Financial Information of Metalman Auto Limited (formerly as Metalman Auto Private Limited) (the "**Company**") and its subsidiary/ associate (the Company and its subsidiary/ associate together referred to as "the **Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies information and other explanatory information of Metalman Auto Limited and its subsidiary/ associate (collectively, the "**Restated Consolidated Financial Information**"), annexed to this report 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 Rs. 2 each ("**Offer**"). The Restated Consolidated Financial Information, which have been approved by the board of directors of the Company (the "**Board of Directors**") at their meeting held on August 9, 2024 have been prepared by the Company in accordance with the requirements of:

    a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the **"Act"**);

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

    d) E-mail dated October 28, 2021, from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards ("IND AS") ("SEBI Communication").

2. The Company's Board of Directors are responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") in connection with the Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1 of the Restated Consolidated Financial Information. The Board of Directors of the Company is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Restated Consolidated Financial Information. The management of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note and SEBI Communication.

3. We have examined the Restated Consolidated Financial Information taking into consideration:

a) the terms of reference and our engagement agreed with you vide our engagement letter dated April 22, 2024 in connection with the Offer.

b) the Guidance Note which also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations the Guidance Note and SEBI Communication in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the management of the Company from:

a) The audited consolidated financial statements of the Group as at and for the year ended March 31, 2024, audited by us and prepared by the management in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (“**Ind AS**"), and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 11, 2024;

b) The audited special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2023, audited by KC Khanna & Co. (the “**Previous Auditors**”) and prepared by the management in accordance with the basis of preparation, as set out in Note No. 2.1 to Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on July 11, 2024; and

c) The audited special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2022, audited by the Previous Auditors and prepared by the management in accordance with the basis of preparation, as set out in Note No. 2.1 to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on July 11, 2024.

d) The financial statements and other financial information of the subsidiary/associate, as listed below, audited/examined by other auditors and included in the Restated consolidated financial information as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Name of entity	Relationship	Name of other auditor
Metalman Micro Turners, a partnership firm (“the Component”)	Associate upto March 28, 2023 and subsidiary w.e.f. March 29, 2023	Dewan P.N. Chopra & Co., Chartered Accountants (“the Component auditor”)

The audited special purpose consolidated financial statements as at and for the year ended March 31, 2023 and March 31, 2022, have been prepared after making suitable adjustments to the audited financial statements of the respective years prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 (Indian GAAP financial statements), for the accounting policies, including the accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Ind AS 101, that have been adopted by the Company at the date of transition to Ind AS i.e. April 1, 2022 for the first statutory Ind AS financial statements prepared by the Company for the financial year ended March 31, 2024 and as per the presentation, and grouping/classifications in accordance with Division II of Schedule III to the Companies Act, 2013, pursuant to the SEBI Communication.

5. For the purpose of our examination, we have relied on the:

a) Auditors' report issued by us dated July 11, 2024, on the consolidated financial statements of the Group as at and for the year ended March 31, 2024, as referred in Para 4 (a) above;

b) Auditors' report issued by the Previous Auditors dated July 11, 2024, on the special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2023, as referred in Para 4 (b) above; and

c) Auditors' report issued by the Previous Auditors dated July 11, 2024, on the special purpose consolidated financial statements of the Group as at and for the year ended March 31, 2022, as referred in Para 4 (c) above.

d) The special purpose audit for the years ended March 31, 2023 and March 31, 2022 were conducted by the Previous Auditors and accordingly reliance is placed on the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023 and March 31, 2022 and the Statement of Material Accounting Policies information, and other explanatory information ("March 2023 and March 2022 Restated Consolidated Financial Statements") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that March 2023 and March 2022 Restated Consolidated Financial Statements:

    (i) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 as more fully described in Note 2 to the Restated Consolidated Financial Information.

    (ii) There are no qualifications in the auditors' reports on the audited special purpose consolidated financial statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022 which require any adjustments to the March 2023 and March 2022 Restated Consolidated Financial Information; and

    (iii) March 2023 and March 2022 Restated Consolidated Financial Statements have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

e) The special purpose audit of a subsidiary, namely "Metalman Micro Turners" (the "Component") for the year ended March 31, 2024, were audited by their Auditor "Dewan P.N. Chopra & Co., Chartered Accountants" ("the Component Auditors") and accordingly reliance is placed on the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the year ended March 31, 2024, the Statement of Material Accounting Policies information, and other explanatory information ("2024 Restated Financial Information of the Component") examined by the Component Auditor. The Component Auditor vide its examination report have also confirmed that the 2024 Restated Financial Information of the Component:

    (i) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 as more fully described in Note 2 to the Restated Consolidated Financial Information.

    (ii) There are no qualifications in the component auditors' reports on the components audited special purpose financial statements as at and for the year ended March 31, 2024, which require any adjustments to the 2024 Restated Financial Information of the Component; and

(iii) 2024 Restated Financial Information of the Component have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

6. Our audit report referred to in Para 5 (a) above included Other Matters paragraph as follows;

(a) We did not audit the special purpose financial statements of a subsidiary (a partnership firm “Metalman Micro Turners”), whose financial statements reflect total assets of Rs. 2,290.60 million as at March 31, 2024, total revenues of Rs. 5,124.98 million and net cash outflows amounting to Rs. 0.05 million for the year ended on that date, as considered in the consolidated financial statements. These special purpose Ind AS financial statements have been audited by their auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary in so far as it relates to the aforesaid subsidiary is based solely on the reports of their auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

7. The audit report issued by the Previous Auditors referred to in Para 5 (b) above included Other Matters paragraph as follows:

(i) The Special Purpose Consolidated Financial Statements have been prepared by the management and approved by the Board of Directors of the Company for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, (collectively referred to "Offer Documents") in relation to the proposed initial public offering of equity shares of the Company (“the proposed offer”) as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Consolidated Financial Statements.

(ii) We did not audit the financial statements/financial information of the subsidiary/associate namely Metalman Micro Turners, a partnership firm (an associate entity upto March 28, 2023 and subsidiary w.e.f. March 29, 2023), as included in the Special Purpose Consolidated Financial Statements as mentioned below:

As Associate upto March 28, 2023:

Particulars	Amount (Rs. in million)
Company’s share of profit after tax	27.40
Company’s share of other comprehensive income	0.15

As Subsidiary w.e.f. March 29, 2023

Particulars	Amount (Rs. in million)
Total assets	2,461.09
Total Income (including other income)	55.93
Net cash inflows/ (outflows)	(62.49)

The financial information for the said entity, as considered in the special purpose consolidated financial statements, is based on the audited special purpose financial statements of the said entity for the year ended March 31, 2023 audited by the other auditor “Dewan P.N. Chopra & Co., Chartered Accountants”, whose report has been furnished to us by the Management together with the unaudited financial statements/financial information for the period 29th March 2023 to 31st March 2023 prepared and certified by the management of the said Company. Our opinion in so far as it relates to the amounts and disclosures included in special purpose consolidated financial statements in respect of the said Company, is based solely on the report of the said auditor together with the unaudited financial information certified by the Management.

In our opinion and according to the information and explanations given to us by management, the financial information of the said entity in regard to income and expenses for the period 29th March 2023 to 31st March 2023 as considered in the special purpose consolidated financial statements based on unaudited financial statements/financial information prepared and certified by the management is not material to the Group.

Our opinion is not modified in respect of the above matters.

8. The audit report issued by the Previous Auditors referred to in Para 5 (c) above included Other Matters paragraph as follows:

(i) The Special Purpose Consolidated Financial Statements have been prepared by the management and approved by the Board of Directors of the Company for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus, (collectively referred to "Offer Documents") in relation to the proposed initial public offering of equity shares of the Company ("the proposed offer") as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note"). Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Consolidated Financial Statements.

(ii) We did not audit the special purpose financial statements of the associate namely Metalman Micro Turners, a partnership firm, whose share of profit after tax and share of other comprehensive income, as mentioned below, included in the Special Purpose Consolidated Financial Statements, which have been audited by their Auditors "Dewan P.N. Chopra & Co., Chartered Accountants" and whose report has been furnished to us by the Company's Management. Our opinion in so far as it relates to the amounts and disclosures included in respect of the associate, is based solely on the report of the said auditor.

Particulars	Amount (Rs. in million)
Company's share of profit after tax	54.28
Company's share of other comprehensive income	(0.35)

Our opinion is not modified in respect of the above matters.

9. Based on the above and according to the information and explanations given to us and also on reliance placed on examination report of the Previous Auditors and Component Auditor, we report that:

i) the Restated Consolidated Financial Information have been prepared after incorporating adjustments for the change in accounting policies, any material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping classifications followed as at and for the year ended March 31, 2024 as more fully described in Note 2 to the Restated Consolidated Financial Information;

ii) there are no qualifications in the auditors' reports issued by us and the Previous Auditors of the Company for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively as referred in para 5 above, which requires any adjustment to the Restated Consolidated Financial Information; and

iii) the Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

10. We have not audited any financial statements of the Group as at any date or for any period subsequent to March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to March 31, 2024.

11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditors' reports issued by us or by the Previous Auditors or by the Component Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

14. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, as applicable in connection with the Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the report.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Vinod Gupta
Partner
Membership No. 503690

UDIN: 24503690BKEPXJ7532

Place: Gurugram
Date: August 9, 2024

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Restated Consolidated Statement of Assets and Liabilities
(Amount in Rupees million, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets				
Non-current assets				
Property, plant and equipment	**3**	4,516.24	4,430.33	2,628.76
Right of use assets	**4**	530.42	589.41	181.69
Capital work-in-progress	**5**	107.62	86.85	25.00
Goodwill	**48**	179.90	179.90	-
Intangible assets	**6**	25.38	27.42	1.95
Financial assets:				
i) Investments	**7**	-	-	456.58
ii) Other financial assets	**8**	45.39	52.13	39.81
Current tax assets	**9**	27.43	-	-
Other non-current assets	**10**	254.61	151.52	21.43
Total non- current assets		**5,686.99**	**5,517.56**	**3,355.22**
Current assets				
Inventories	**12**	1,055.43	950.77	743.37
Financial assets:				
i) Trade receivables	**13**	1,831.18	1,964.42	1,252.67
ii) Cash and cash equivalents	**14**	33.96	177.25	3.55
iii) Bank balances other than cash and cash equivalents	**15**	9.30	11.92	6.60
iv) Loans	**16**	2.15	0.86	-
v) Other financial assets	**8**	173.92	235.15	206.99
Other current assets	**17**	107.75	198.24	124.40
Total current assets		**3,213.69**	**3,538.61**	**2,337.58**
Assets classified as held for sale	**11**	333.37	-	-
Total Assets		**9,234.05**	**9,056.17**	**5,692.80**
Equity and Liabilities				
Equity				
Equity share capital	**18**	27.19	27.19	27.19
Other equity	**19 a**	3,290.53	2,791.46	2,157.37
Equity attributable to owners of the Company		**3,317.72**	**2,818.65**	**2,184.56**
Non-controlling interest	**19 b**	36.78	34.55	-
Total equity		**3,354.50**	**2,853.20**	**2,184.56**
Liabilities				
Non-current liabilities				
Financial liabilities:				
i) Borrowings	**20**	1,860.68	1,909.78	1,431.65
ii) Lease liabilities	**21**	23.60	20.35	29.55
Provisions	**22**	47.75	28.13	27.70
Deferred tax liabilities (net)	**23**	602.38	663.13	302.94
Total non-current liabilities		**2,534.41**	**2,621.39**	**1,791.84**
Current liabilities				
Financial liabilities:				
i) Borrowings	**20**	1,266.47	1,196.67	422.74
ii) Lease liabilities	**21**	20.76	15.32	13.11
iii) Trade payables	**24**			
- total outstanding dues of micro and small enterprises		129.39	106.04	28.69
- total outstanding dues of creditors other than micro and small enterprises		1,299.70	1,624.35	996.09
iv) Other financial liabilities	**25**	273.16	173.75	114.92
Other current liabilities	**26**	344.13	282.03	108.80
Provisions	**22**	11.53	9.57	4.12
Current tax liabilities (net)	**27**	-	173.85	27.93
Total current liabilities		**3,345.14**	**3,581.58**	**1,716.40**
Total Equity and Liabilities		**9,234.05**	**9,056.17**	**5,692.80**

Material accounting policies **Note 2**

The accompanying notes 1 to 53 form an integral part of these restated consolidated financial information.

In terms of our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
Metalman Auto Limited

Vinod Gupta
Partner
Membership No.: 503690

Navneet Jairath
Managing Director
DIN: 01620652

Bikramjit Bembi
Chairman
DIN: 01677152

Ajay Kumar Dubey
Chief Financial Officer

Tarun Kumar
Company Secretary
Membership No.: F9256

Place: Gurugram
Date: 9 August, 2024

Place: Delhi
Date: 9 August, 2024

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Restated Consolidated Statement of Profit and Loss
(Amount in Rupees million, unless otherwise stated)

Particulars	**Notes**	**Year ended 31 March 2024**	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Income				
Revenue from operations	28	15,075.97	10,503.91	10,307.58
Other income	29	150.40	423.02	58.35
Total Income (I)		**15,226.37**	**10,926.93**	**10,365.93**
Expenses				
Cost of materials consumed	30	10,868.19	7,860.49	7,938.23
Changes in inventories of finished goods and work-in-progress	31	(29.43)	(38.35)	(72.49)
Employee benefits expense	32	794.27	541.90	495.77
Finance costs	33	276.81	140.36	145.07
Depreciation and amortisation expense	34	499.04	295.47	291.07
Other expenses	35	2,276.14	1,411.87	1,184.00
Total expenses (II)		**14,685.02**	**10,211.74**	**9,981.65**
Profit before share of net profits of associate and tax (I-II)		**541.35**	**715.19**	**384.28**
Share of net profit of associate		-	27.40	54.28
Profit before tax (I-II)		**541.35**	**742.59**	**438.56**
Tax expense:	23			
Current tax		137.52	109.08	80.00
Taxation related to earlier years		(34.99)	(0.12)	(7.17)
Deferred tax charge/(benefits)		(61.22)	2.52	16.09
Total tax expenses		**41.31**	**111.48**	**88.92**
Profit for the year		**500.04**	**631.11**	**349.64**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent period				
Re-measurement (loss)/gain on defined benefit plans		1.73	3.56	(3.13)
Share of other comprehensive income in associate		-	0.15	(0.35)
Income tax effect		(0.47)	(1.24)	1.09
Total other comprehensive income for the year, net of tax		**1.26**	**2.47**	**(2.39)**
Total comprehensive income for the year, net of tax		**501.30**	**633.58**	**347.25**
Profit for the year attributable to				
Owners of the Company		497.81	631.62	349.64
Non-controlling interests		2.23	(0.51)	-
Other Comprehensive Income for the year attributable to				
Owners of the Company		1.26	2.47	(2.39)
Non-controlling interests		-	-	-
Total Comprehensive Income for the year attributable to				
Owners of the Company		499.07	634.09	347.25
Non-controlling interests		2.23	(0.51)	-
Earnings per equity share (Nominal value per share Rs. 10)				
Basic and Diluted (in Rs.)	36	6.10	7.74	4.29
Material accounting policies	Note 2			

The accompanying notes 1 to 53 form an integral part of these restated consolidated financial information.

In terms of our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Vinod Gupta
Partner
Membership No.: 503690

Place: Gurugram
Date: 9 August, 2024

For and on behalf of the Board of Directors of
Metalman Auto Limited

Navneet Jairath
Managing Director
DIN: 01620652

Bikramjit Bembi
Chairman
DIN: 01677152

Ajay Kumar Dubey
Chief Financial Officer

Tarun Kumar
Company Secretary
Membership No.: F9256

Place: Delhi
Date: 9 August, 2024

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Restated Consolidated Cash Flow Statement
(Amount in Rupees million, unless otherwise stated)

Particulars	**Year ended 31 March 2024**		**Year ended 31 March 2023**		**Year ended 31 March 2022**	
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before tax		541.35		742.59		438.56
Adjusted for :						
Depreciation and amortisation expense	499.04		295.47		291.07	
Net loss on sale of property, plant and equipment (net)	3.88		14.19		(13.43)	
Re-measurement to fair value of existing equity interest in acquiree in business combination	-		(392.41)		-	
Finance costs	276.81		140.36		145.07	
Share of net profit of associate	-		(27.40)		(54.28)	
Interest income	(2.17)	777.56	(1.35)	28.86	(3.04)	365.39
Operating Profit before Working Capital Changes		1,318.91		771.45		803.95
Working capital adjustments:						
Decrease/ (Increase) in loans	(1.29)		(0.86)		1.14	
Decrease/ (Increase) in other financial assets	67.74		0.80		(28.15)	
Decrease/ (Increase) in inventories	(104.66)		(23.72)		(123.64)	
Decrease/ (Increase) in trade receivables and contract assets	133.24		20.89		(124.44)	
Decrease/ (Increase) in other assets	10.84		128.68		119.71	
(Decrease)/ Increase in other financial liabilities	128.15		14.32		(2.12)	
(Decrease)/ Increase in provisions	23.31		9.44		2.21	
(Decrease)/ Increase in other liabilities	62.10		11.91		56.98	
(Decrease)/ Increase in trade payables	(301.30)		4.14		(179.53)	
(Decrease)/ Increase in liabilities directly associated with assets classified as held for sale	(16.98)		-		-	
		1.15		165.60		(277.84)
Cash generated from operations		1,320.06		937.05		526.11
Direct taxes refund/ (paid)		(303.81)		(149.75)		(40.05)
Net Cash from Operating activities (A)		**1,016.25**		**787.30**		**486.06**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment and intangible assets	(904.51)		(336.35)		(246.73)	
Investment in capital of partnership firm (subsidiary)	-		(997.80)		-	
Sale of property, plant and equipment	11.62		43.23		71.59	
Investment in/ proceeds from fixed deposits (net)	2.60		(7.62)		(4.17)	
Interest received	2.33		0.64		3.00	
Net Cash used in Investing Activities (B)		**(887.96)**		**(1,297.90)**		**(176.31)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Principal and interest payment of lease liabilities	(19.95)		(17.80)		(16.96)	
Interest paid other than on lease liabilities	(272.33)		(129.94)		(136.99)	
Proceeds/ (Repayment) from long term borrowings	(180.95)		316.27		205.25	
Proceeds/ (Repayment) of short term borrowings	201.65		452.68		(367.55)	
Net Cash flow from in/(used) Financing Activities (C)		**(271.58)**		**621.21**		**(316.25)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**(143.29)**		**110.61**		**(6.50)**

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Restated Consolidated Cash Flow Statement
(Amount in Rupees million, unless otherwise stated)

Cash and cash equivalents at beginning of year	**177.25**	**3.55**	**10.05**
Cash received from subsidiary on account of Business Combination	**-**	**63.09**	**-**
Cash and cash equivalents at end of the year	**33.96**	**177.25**	**3.55**
Components of cash and cash equivalents			
Cash on hand (including digital wallet)	2.27	1.93	1.56
Balance with banks:			
In current accounts	31.69	175.32	1.99
	33.96	**177.25**	**3.55**

Material accounting policies **Note 2**

The accompanying notes 1 to 53 form an integral part of these restated consolidated financial information.

Note:
The Statement of cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.

In terms of our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Vinod Gupta
Partner
Membership No.: 503690

Place: Gurugram
Date: 9 August, 2024

For and on behalf of the Board of Directors of
Metalman Auto Limited

Navneet Jairath
Managing Director
DIN: 01620652

Bikramjit Bembi
Chairman
DIN: 01677152

Ajay Kumar Dubey
Chief Financial Officer

Tarun Kumar
Company Secretary
Membership No.: F9256

Place: Delhi
Date: 9 August, 2024

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Restated Consolidated Statement of Changes in Equity
(Amount in Rupees million, unless otherwise stated)

A. Equity share capital (refer note 18)

Equity shares of Rs. 10 each issued, subscribed and fully paid	**Number**	**Amount**
As at 1 April 2022	**2,719,174**	**27.19**
Issue of share capital	-	-
As at 31 March 2023	**2,719,174**	**27.19**
Issue of share capital	-	-
As at 31 March 2024	**2,719,174**	**27.19**

B. Other equity (refer note 19)

Particulars	**Reserves and Surplus**			**Total equity (refer note 19)**	**Non- controlling Interest**
	Securities Premium	**General Reserve**	**Retained Earnings**		
As at 1 April 2021	**23.75**	**38.32**	**1,748.05**	**1,810.12**	**-**
Net income for the year	-	-	349.64	349.64	-
Other comprehensive income	-	-	(2.39)	(2.39)	-
Total comprehensive income	**-**	**-**	**347.25**	**347.25**	**-**
As at 31 March 2022	**23.75**	**38.32**	**2,095.30**	**2,157.37**	**-**
Addition on account of Business combination (refer note 48)	-	-	-	-	35.06
Net income for the year	-	-	631.62	631.62	(0.51)
Other comprehensive income	-	-	2.47	2.47	-
Total comprehensive income	**-**	**-**	**634.09**	**634.09**	**34.55**
As at 31 March 2023	**23.75**	**38.32**	**2,729.39**	**2,791.46**	**34.55**
Net income for the year	-	-	497.81	**497.81**	2.23
Other comprehensive income	-	-	1.26	**1.26**	-
Total comprehensive income	**-**	**-**	**499.07**	**499.07**	**2.23**
As at 31 March 2024	**23.75**	**38.32**	**3,228.46**	**3,290.53**	**36.78**

Material accounting policies **Note 2**

The accompanying notes 1 to 53 form an integral part of these restated consolidated financial information.

In terms of our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Vinod Gupta
Partner
Membership No.: 503690

Place: Gurugram
Date: 9 August, 2024

For and on behalf of the Board of Directors of
Metalman Auto Limited

Navneet Jairath
Managing Director
DIN: 01620652

Bikramjit Bembi
Chairman
DIN: 01677152

Ajay Kumar Dubey
Chief Financial Officer

Tarun Kumar
Company Secretary
Membership No.: F9256

Place: Delhi
Date: 9 August, 2024

This note provides a list of the material accounting policies adopted in the preparation of this restated financial information. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Group information

Metalman Auto Limited ('the Company' or 'Parent Company') together with its subsidiary, a partnership firm (collectively, "the Group") is engaged in the manufacturing and selling of Auto Parts. The Parent Company incorporated under the provisions of the Companies Act, 1956 and was incorporated on 16th May 1986. The registered office of the Parent Company is located at JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi, Delhi, India, 110037.

The Parent Company was converted into a public limited company under the Companies Act, 2013 on 3rd July, 2024 and consequently, the name was changed to "Metalman Auto Limited". The Subsidiary, a partnership firm, Metalman Micro Turners domiciled in India was incorporated on 3rd March 2010. The aforesaid subsidiary was an associate entity upto 28th March 2023.

2. Basis for preparation and measurement

2.1 Basis of preparation

The Restated Financial Information relates to the Group and has been specifically prepared for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the BSE Limited and the National Stock Exchange of India Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Company. The Restated Financial Information comprising the restated consolidated statement of assets and liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated consolidated statement of changes in equity and notes forming part of the Restated Consolidated Financial information for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, and the material accounting policies adopted in preparation of Restated Financial Information (hereinafter collectively referred to as "Restated Financial Information).

The Restated Financial Information have been prepared by the Management of the Company to comply with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('ICDR Regulations'); and

c) The Guidance Note on Reporting Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

d) E-mail dated October 28, 2021, from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards ("IND AS") ("SEBI Communication")

These Restated Financial Information have been compiled from:

I. Audited Consolidated Financial Statements of the Group as at and for the year ended 31 March 2024 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on July 11, 2024;

II. The Audited Special Purpose Consolidated Financial Statements of the Company and its subsidiary w.e.f. March 29, 2023 (an associate upto March 28, 2023) as at and for the year ended 31 March 2023 and 31 March 2022, have been prepared by the management of the Company in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Previous GAAP' or 'Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. April 1, 2022. These Audited Special Purpose Consolidated Financial Statements prepared in accordance with the Ind AS as described in this paragraph, have been approved by the Board of Directors on July 11, 2024. Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the years ended March 31, 2023 and 31 March 2022.

The consolidated financial statements of the Group as at and for the year ended March 31, 2024 is the first reporting period for first time adoption of Indian Accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and accordingly April 1, 2022 is the transition date for the preparation of the consolidated financial statements of the Group as at and for the year ended March 31, 2024. Up to the financial year ended March 31, 2023 the Company prepared the financial statements in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 as amended, specified under Section 133 of the Act read with the Companies (Accounts) Rules, 2015 ("Indian GAAP") due to which the special purpose IND AS financial statements were prepared by the Company.

In pursuance to SEBI ICDR Regulations and the Guidance note issued by ICAI, the aforesaid special purpose consolidated financial statements have been prepared solely for the purpose of preparation of these Restated Financial Information for inclusion in Offer Documents in relation to the proposed IPO. As such these special purpose consolidated financial statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Information. This Restated Consolidated Financial Information does not reflect the effects of events that that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited consolidated financial statements and audited special purpose consolidated financial statements as mentioned above.

The Restated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;

b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring the groupings as per the restated financial information of the Group for the year ended March 31, 2024 and the requirements of the SEBI ICDR Regulations, if any; and

c. The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as Rs. Million, unless indicated otherwise. All amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest "Million" with two decimals, unless otherwise stated.

These restated financial information have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

2.2 Principles of Consolidation

The Restated Consolidated Financial Statements comprise the Consolidated Financial Statements of the Company and the following subsidiary and associate:

Name of the Company	Relationship	Date of incorporation	Country of incorporation	Effective % of capital holding as at		
				31 March 2024	31 March 2023	31 March 2022
Metalman Micro Turners (a partnership firm)	Subsidiary (Associate upto March 28, 2023)	3 March 2010	India	98.00%	98.00%	50.00%

(i) Subsidiaries

Subsidiary is an entity over which the group has a control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) Exposure, or rights, to variable returns from its involvement with the investee, and
(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee
(b) Rights arising from other contractual arrangements
(c) The Group voting rights and potential voting rights
(d) The size of the group holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31.

(ii) Associate

Associate is entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

(iii) **Consolidation Procedures:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(iv) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition by-acquisition basis, the Group recognises any noncontrolling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

(a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

(b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

(c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

(d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

(e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date. Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

(e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

(f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

2.3 Material accounting policies

a. Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation, net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss.

Property, plant and equipment are eliminated from restated consolidated financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 as described below:

Class of asset	**Useful life (in years)**
Office Building	60
Factory Building	30
Plant and machinery	15
Electrical installations and equipment	10
Furniture and fittings	10
Vehicles	8
Office equipment	5
Computers	3

Leasehold land and leasehold improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The subsidiary/ associate entity upto March 31, 2023 had used written down value (WDV) method as per the estimated useful life of the property, plant and equipment for depreciation charge. In the current financial year 2023-24, the subsidiary entity has changed the depreciation method from WDV to straight line method (SLM) as per the estimated useful life of the Parent Company as mentioned above. The aforesaid change in depreciation method is recognised prospectively in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

b. Capital work in progress

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

c. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of three years.

d. **Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised immediately in profit or loss. 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e. **Inventories**

Raw materials, stores and spares and packing materials:
At lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work in progress:
At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the basis of stage of completion.

Finished goods and by product:
At lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

f. **Borrowing costs**

Borrowings cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred. Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation. Qualifying assets are assets that necessarily take a substantive period of time to get ready for their use or sale.

g. **Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Such revenue is recognised upon the Group’s performance of its contractual obligations and on satisfying all the following conditions:

(1) Parties to the contract have approved the contract and undertaken to perform their respective obligations;
(2) Such contract has specified the respective rights and obligations of the parties in connection with the transfer of goods or rendering of services (hereinafter the “Transfer”);
(3) Such contract contains specific payment terms in relation to the Transfer;
(4) Such contract has a commercial nature, namely, it will change the risk, time distribution or amount of the Group’s future cash flow;
(5) The Group is likely to recover the consideration it is entitled to for the Transfer to customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract with the customer. Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

(i) Sales of goods:
Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Revenue from services is recognised in the accounting period in which the services are rendered.

(iii) Dividend income is recognized when the right to receive payment is established.

(iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

h. Foreign currency transactions

The Restated Consolidated Financial Information are presented in INR, which is also the Group's functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction. At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and 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.

i. Taxes on income

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group companies operate and generates taxable income.

Deferred tax
Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternative Tax
Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

j. Employee benefits

(i.) **Defined contribution plans**
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii.) **Defined benefit plans**
Liability in respect of Defined benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the Statement of Profit & Loss in the period of plan amendment.

(iii.) **Short-term employee benefits**
Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

(iv.) **Other long-term employee benefits**
Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

k. Leases

Group as a Lessee:
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

l. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and 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. 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 recognised as a finance cost.
A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

m. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques 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 statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Classification

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Trade receivable that do not contain a significant financing component are measured at transaction price.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in other income in the profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the Statement of Profit and Loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the 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 Group has transferred substantially all the risks and rewards of the asset, or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated at FVTPL. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(b) Financial liabilities

Classification

Financial liabilities - Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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 at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

(c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

p. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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, or

In the absence of a principal market, in the most advantageous market for the asset or liability
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 best economic 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the restated consolidated financial statements 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 balance sheet on a recurring basis, the Group 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 Group 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.

q. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit and Loss to date in the absence of grant shall be recognized immediately.

2.4 Significant accounting judgements, estimates and assumptions

In the application of the Group accounting policies, which are described as below, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the restated consolidated financial statements:-

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at the current period end, management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Defined benefit plans

The cost of the defined benefit plan and other postemployment benefits and the present value of such obligation 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, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in restated consolidated financial statements. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the restated consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the restated consolidated financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

Impairment of financial and non-financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The Group assesses the investment in equity instrument of subsidiary companies carried at cost for impairment testing, by comparing carrying value with recoverable value, adopting DCF model for arriving value in use etc.

Impairment of Non – Financial Assets exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's-length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

2.5 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(Amount in Rupees million, unless otherwise stated)

2.6 Statement of restatement adjustments

For periods up to and including the year ended 31 March 2023, the Group prepared its consolidated financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) notified under section 133 of the Companies Act 2013.
The Restated Consolidated Financial Information have been compiled from the Audited Consolidated financial statements of the Group as at and for the year ended 31 March 2024 and the Audited Special Purpose Ind AS Consolidated financial statements of the Group and its subsidiary (an Associate entity upto March 28, 2023) as at and for the year ended 31 March 2023 and the Audited Special Purpose Consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2022 (refer basis of preparation para under Note 2).

There is no difference between Restated Consolidated Financial Information and Audited Consolidated Financial Statements and Audited Special Purpose Consolidated financial statements of the Group as referred above. Reconciliations between the Restated Consolidated Financial Information and Consolidated Audited Financial Statements of the Group and its associate are set out in the following tables and notes.

(A) Reconciliations between restated consolidated financial information and consolidated audited financial statements of the Group-

1 Reconciliation of total equity as at 31 March 2023 and 31 March 2022 and 1 April 2021

Particulars	Notes	31 March 2023	31 March 2022	1 April 2021
Total equity (shareholder's funds) as per audited consolidated financial statements of respective years		**2,398.53**	**2,099.44**	**1,759.08**
Adjustments:				
- Accounting for operating lease as per Ind AS 116	Note – 1	(11.71)	(11.94)	(10.94)
- Measurement of certain financial assets at amortised cost	Note – 2	1.09	0.80	0.53
- Provision for Expected credit loss on trade receivables	Note – 3	(66.91)	(59.38)	(56.39)
- Change in Accounting policy of government grant recognised on accrual basis as per Ind AS 20	Note – 4	121.67	119.78	157.55
- Re-measurement of existing equity interest in associate entity	Note – 5	392.41	-	-
- Re-measurement of Non-controlling interest	Note – 5	32.86	-	-
- Change in share of profit from associate on account of Ind AS adoption and other corrections	Note – 6	(39.44)	13.94	(20.25)
- Deferred tax impacts		(2.49)	(5.27)	(19.45)
Total adjustments		**427.48**	**57.93**	**51.05**
Total equity as per restated consolidated financial information		**2,826.01**	**2,157.37**	**1,810.13**

2 Reconciliation of profit/(loss) and total comprehensive income for the year ended 31 March 2023 and 31 March 2022

Particulars	Notes	31 March 2023	31 March 2022
Profit after tax as per audited consolidated financial statements of respective years		**287.98**	**284.53**
Adjustments:			
- Accounting for operating lease as per Ind AS 116	Note – 1	0.23	(1.00)
- Measurement of certain financial assets at amortised cost	Note – 2	0.29	0.27
- Provision for Expected credit loss on trade receivables	Note – 3	(7.53)	(2.99)
- Change in Accounting policy of government grant recognised on accrual basis as per Ind AS 20	Note – 4	10.79	18.09
- Fair value gain on re-measurement of previously held interest in associate entity as per Ind AS 103	Note – 5	392.41	-
- Change in share of profit from associate on account of Ind AS adoption and other corrections	Note – 6	(53.53)	34.54
- Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)	Note – 7	(3.56)	3.13
- Deferred tax impacts		4.03	13.07
Total adjustments		**343.13**	**65.11**
Profit for the year as per restated consolidated financial information		**631.11**	**349.64**
Other comprehensive income (OCI)			
- Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)	Note – 7, 9	3.56	(3.13)
- Share of other comprehensive income in associate	Note – 6	0.15	(0.35)
- Deferred tax impacts on above adjustment		(1.24)	1.09
Total comprehensive income for the year as per restated consolidated financial information		**633.58**	**347.25**

3 Impact of restatement adjustment on the cash flows statement for the year ended 31 March 2023 and 31 March 2022
The restatement adjustment has not made a material impact on the statement of cash flows.

(Amount in Rupees million, unless otherwise stated)

4. Reconciliation of assets and liabilities presented in the balance sheet prepared as per audited consolidated financial statements and as per the restated consolidated statement of assets and liabilities is as follows:

Particulars	Notes	Audited as at 31 March 2022	Adjustments	Restated as at 31 March 2022	Audited as at 31 March 2023	Adjustments	Restated as at 31 March 2023
ASSETS							
Non-current assets							
Property, plant and equipment	4,5	2,628.76	-	2,628.76	3,526.42	903.91	4,430.33
Right of use assets	1	149.58	32.11	181.69	349.06	240.35	589.41
Capital work-in-progress		25.00		25.00	86.85	-	86.85
Intangible assets	5	1.95	-	1.95	27.71	(0.29)	27.42
Goodwill	5	-	-	-	499.20	(319.30)	179.90
Financial assets:							
i) Investments	6	442.64	13.94	456.58	-	-	-
ii) Other financial assets	2	40.45	(0.64)	39.81	52.68	(0.55)	52.13
Current tax assets	6	-	-	-	42.28	(42.28)	-
Other non-current assets		21.43	-	21.43	151.52	-	151.52
Total non- current assets		**3,309.81**	**45.41**	**3,355.22**	**4,735.72**	**781.84**	**5,517.56**
Current assets							
Inventories		743.37	-	743.37	950.77	-	950.77
Financial assets:							
i) Trade receivables	3	1,312.05	(59.38)	1,252.67	2,031.33	(66.91)	1,964.42
ii) Cash and cash equivalents		3.55	-	3.55	177.25	-	177.25
iii) Bank balances other than cash and cash equivalents		6.60	-	6.60	11.92	-	11.92
iv) Loans		-	-	-	0.86	-	0.86
v) Other financial assets	4	66.42	140.57	206.99	67.03	168.12	235.15
Other current assets		124.40	-	124.40	198.24	-	198.24
Total current assets		**2,256.39**	**81.19**	**2,337.58**	**3,437.40**	**101.21**	**3,538.61**
Total Assets		**5,566.20**	**126.60**	**5,692.80**	**8,173.12**	**883.05**	**9,056.17**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		27.19	-	27.19	27.19	-	27.19
Other equity		2,099.44	57.93	2,157.37	2,396.84	394.62	2,791.46
Equity attributable to equity holders of the parent		**2,126.63**	**57.93**	**2,184.56**	**2,424.03**	**394.62**	**2,818.65**
Non-controlling Interest		-	-	-	1.69	32.86	34.55
Total equity		**2,126.63**	**57.93**	**2,184.56**	**2,425.72**	**427.48**	**2,853.20**
LIABILITIES							
Non-current liabilities							
Financial liabilities:							
Borrowings		1,431.65	-	1,431.65	1,909.78	-	1,909.78
Lease liabilities	1	-	29.55	29.55	-	20.35	20.35
Provisions		27.70	-	27.70	28.13	-	28.13
Deferred tax liabilities (net)	6	297.67	5.27	302.94	341.05	322.08	663.13
Total non-current liabilities		**1,757.02**	**34.82**	**1,791.84**	**2,278.96**	**342.43**	**2,621.39**
Current liabilities							
Financial liabilities:							
i) Borrowings		422.74	-	422.74	1,196.67	-	1,196.67
ii) Lease liabilities	1	-	13.11	13.11	-	15.32	15.32
iii) Trade payables							
- total outstanding dues of micro and small enterprises		28.69	-	28.69	106.04	-	106.04
- total outstanding dues of creditors other than micro and small enterprises		996.09	-	996.09	1,624.35	-	1,624.35
iv) Other financial liabilities		114.92	-	114.92	173.75	-	173.75
Other current liabilities	4	88.06	20.74	108.80	264.74	17.29	282.03
Provisions		4.12	-	4.12	9.57	-	9.57
Current tax liabilities (net)	6	27.93	-	27.93	93.32	80.53	173.85
Total current liabilities		**1,682.55**	**33.85**	**1,716.40**	**3,468.44**	**113.14**	**3,581.58**
Total Equity and Liabilities		**5,566.20**	**126.60**	**5,692.80**	**8,173.12**	**883.05**	**9,056.17**

Notes
- The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
- There have been no restatement adjustment relating to financial year ended on March 31, 2024.

(Amount in Rupees lacs, unless otherwise stated)

5. Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited consolidated financial statements and as per as per the restated consolidated statement of assets and liabilites is as follows:-

Particulars	Notes	Audited as at 31 March 2022*	Adjustments	Restated as at 31 March 2022
INCOME				
Revenue from operations	8	10,307.60	(0.02)	10,307.58
Other income	2,4	39.99	18.36	58.35
Total Income (I)		**10,347.59**	**18.34**	**10,365.93**
EXPENSES				
Cost of materials consumed		7,938.23	-	7,938.23
Changes in inventories of finished goods and work-in-progress		(72.49)	-	(72.49)
Employee benefits expense	7	498.90	(3.13)	495.77
Finance costs	1	141.09	3.98	145.07
Depreciation and amortisation expense	1	277.10	13.97	291.07
Other expenses	1,3,8	1,197.98	(13.98)	1,184.00
Total expenses (II)		**9,980.81**	**0.84**	**9,981.65**
Profit before share of net profits of investments accounted for using equity method and tax (I-II)		**366.78**	**17.50**	**384.28**
Share of net profit/ (loss) of associate accounted for using the equity method	6	19.74	34.54	54.28
Profit before tax (I-II)		**386.52**	**52.04**	**438.56**
Tax expense:				
Current tax		80.00	-	80.00
Taxation related to earlier years		(20.50)	13.33	(7.17)
Deferred tax charge/(benefits)		42.49	(26.40)	16.09
Total tax expenses		**101.99**	**(13.07)**	**88.92**
Profit for the year		**284.53**	**65.11**	**349.64**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent period	9			
Re-measurement gain on defined benefit plans		-	(3.13)	(3.13)
Share of other comprehensive income in associate		-	(0.35)	(0.35)
Income tax effect		-	1.09	1.09
Other comprehensive income for the year, net of tax		**-**	**(2.39)**	**(2.39)**
Total comprehensive income for the year, net of tax		**284.53**	**62.72**	**347.25**

Note
- The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
- There have been no restatement adjustment relating to financial year ended on March 31, 2024.

(Amount in Rupees million, unless otherwise stated)

6. Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited consolidated financial statements and as per as per the restated consolidated statement of assets and liabilities is as follows:-

Particulars	Notes	Audited as at 31 March 2023	Adjustments	Restated as at 31 March 2023
INCOME				
Revenue from operations	8	10,512.05	(8.14)	10,503.91
Other income	2,4,5	19.53	403.49	423.02
Total Income (I)		**10,531.58**	**395.35**	**10,926.93**
EXPENSES				
Cost of materials consumed		7,860.49	-	7,860.49
Changes in inventories of finished goods and work-in-progress		(38.35)	-	(38.35)
Employee benefits expense	7	538.35	3.55	541.90
Finance costs	1	137.07	3.29	140.36
Depreciation and amortisation expense	1	281.20	14.27	295.47
Other expenses	1,3,8	1,430.25	(18.38)	1,411.87
Total expenses (II)		**10,209.01**	**2.73**	**10,211.74**
Profit before share of net profits of investments accounted for using equity method and tax (I-II)		**322.57**	**392.62**	**715.19**
Share of net profit/ (loss) of associate accounted for using the equity method	6	80.93	(53.53)	27.40
Profit before tax (I-II)		**403.50**	**339.09**	**742.59**
Tax expense:				
Current tax		127.85	(18.77)	109.08
Taxation related to earlier years		(0.12)	-	(0.12)
Deferred tax charge/(benefits)		(12.21)	14.73	2.52
Total tax expenses		**115.52**	**(4.04)**	**111.48**
Profit for the year		**287.98**	**343.13**	**631.11**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent period				
Re-measurement gain on defined benefit plans	9	-	3.56	3.56
Share of other comprehensive income in associate			0.15	0.15
Income tax effect		-	(1.24)	(1.24)
Other comprehensive income for the year, net of tax		**-**	**2.47**	**2.47**
Total comprehensive income for the year, net of tax		**287.98**	**345.60**	**633.58**

Note

- The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
- There have been no restatement adjustment relating to financial year ended on March 31, 2024.

7 Notes

Note – 1
Accounting for operating lease as per Ind AS 116
Under the previous GAAP, the operating lease rentals were recognised as expenses in the statement of profit and loss. However, under Ind AS, the Group has measured lease liability at the date of transition to Ind AS at the present value of the remaining lease payments, discounted using the its incremental borrowing rate at the date of transition to Ind AS and correspondingly the Group has measured a right-of-use asset at the date of transition to Ind AS at its carrying amount as if Ind AS had been applied since the commencement date of the lease, but discounted using its incremental borrowing rate at the date of transition to Ind AS.

Note – 2
Measurement of certain financial assets at amortised cost
Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as right of use asset.

Note – 3
Provision for expected credit loss on trade receivables
Under previous GAAP, the Group created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL).

Note – 4
Accounting of government grant as per Ind AS 20
Under the previous GAAP as per AS 12, subsidies received by the Group against the investment made at the manufacturing plants were considered in the nature of Promoter's contribution and directly credited to the Capital Reserve account on receipt basis and were not routed through the Statement of Profit and Loss. However, under Ind AS, Government grants are routed through the Statement of Profit and Loss when the attached conditions are complied with and when there is reasonable assurance that the grant will be received. Accordingly, the subsidy are recognised on accrual basis. For grant related to assets, the cost of the asset is shown at gross value and grant thereon is treated as deferred income which is recognized as income in Statement of Profit and Loss over the period and in proportion in which depreciation is charged. For grant related to expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Note – 5
Accounting of business combination as per Ind AS 103
During the financial year 2022-23, the Company has increased its stake in the existing associate partnership firm namely "Metalman Micro Turners" from 50% to 98%. Due to this entity has become the subsidiary of the Company w.e.f. March 29, 2023 and accordingly as per Ind AS 103, the Company has remeasured its previously held interest and Non-controlling interest at fair value on acquisition date and recognised the resulting gain or loss in statement of profit or loss .

Note – 6
Due to Ind AS adoption by associate entity resulting into change in share of profit.

Note – 7
Remeasurement of defined benefit obligations reclassified to Other comprehensive income (OCI)
Both under Indian GAAP and Ind AS, the Group recognised 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 profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to Other Equity through OCI.

Note – 8
Revenue from operations
Under IGAAP, cash discounts and other discounts directly attributable to sales was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended 31 March 2023.

Note – 9
Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total
Deemed cost								
As at 1 April 2021 (refer note I below)	94.30	862.72	1,621.78	27.48	24.06	15.37	11.16	2,656.87
Additions	-	65.86	202.10	1.44	27.63	2.50	4.27	303.80
Disposals	-	(12.28)	(50.27)	-	(1.62)	-	-	(64.17)
As at 31 March 2022	**94.30**	**916.30**	**1,773.61**	**28.92**	**50.07**	**17.87**	**15.43**	**2,896.50**
Additions	-	63.74	179.64	1.69	2.46	3.44	12.61	263.58
Additions on account of business combination (refer note 48)	562.50	335.52	951.74	6.12	11.62	3.03	2.07	1,872.60
Disposals	-	(0.05)	(55.33)	(1.04)	(4.17)	(0.14)	(0.17)	(60.90)
As at 31 March 2023	**656.80**	**1,315.51**	**2,849.66**	**35.69**	**59.98**	**24.20**	**29.94**	**4,971.78**
Additions	-	183.08	538.38	3.72	54.46	7.42	11.14	798.20
Disposals	-	-	(16.58)	-	(0.26)	(0.01)	(0.13)	(16.98)
Assets held for sales	-	(255.04)	-	-	-	-	-	(255.04)
As at 31 March 2024	**656.80**	**1,243.55**	**3,371.46**	**39.41**	**114.18**	**31.61**	**40.95**	**5,497.96**
Accumulated Depreciation								
Depreciation charge for the year 2021-22	-	31.24	223.00	4.02	5.81	5.24	4.46	273.77
Disposals/ adjustments	-	(0.10)	(5.93)	-	-	-	-	(6.03)
As at 31 March 2022	**-**	**31.14**	**217.07**	**4.02**	**5.81**	**5.24**	**4.46**	**267.74**
Depreciation charge for the year 2022-23	-	32.27	224.17	3.88	7.19	5.02	4.66	277.19
Disposals/ adjustments	-	-	(2.08)	(0.01)	(1.39)	-	-	(3.48)
As at 31 March 2023	**-**	**63.41**	**439.16**	**7.89**	**11.61**	**10.26**	**9.12**	**541.45**
Depreciation charge for the year 2023-24	-	40.50	396.96	5.12	11.42	5.71	8.41	468.12
Disposals/ adjustments	-	-	(1.37)	-	(0.08)	-	(0.03)	(1.48)
Assets held for sales	-	(26.37)	-	-	-	-	-	(26.37)
As at 31 March 2024	**-**	**77.54**	**834.75**	**13.01**	**22.95**	**15.97**	**17.50**	**981.72**
Net carrying value :								
As at 31 March 2024	**656.80**	**1,166.01**	**2,536.71**	**26.40**	**91.23**	**15.64**	**23.45**	**4,516.24**
As at 31 March 2023	**656.80**	**1,252.10**	**2,410.50**	**27.80**	**48.37**	**13.94**	**20.82**	**4,430.33**
As at 31 March 2022	**94.30**	**885.16**	**1,556.54**	**24.90**	**44.26**	**12.63**	**10.97**	**2,628.76**

Note I: Deemed cost of property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total
Gross carrying amount as per previous GAAP								
As at 1 April 2021	94.30	1,007.86	2,552.48	48.11	50.23	40.40	38.45	3,831.83
Accumulated depreciation as per previous GAAP								
As at 1 April 2021	-	145.14	930.70	20.63	26.17	25.03	27.29	1,174.96
Net carrying amount (deemed cost) as at 1 April 2021	**94.30**	**862.72**	**1,621.78**	**27.48**	**24.06**	**15.37**	**11.16**	**2,656.87**

(Amount in Rupees million, unless otherwise stated)

5 Capital work-in-progress (CWIP)

Particulars	Amount
As at 1 April 2021	**57.63**
Additions	17.88
Disposals/ capitalisations	(50.51)
As at 31 March 2022	**25.00**
Additions	58.03
Additions on account of business combination (refer note 48)	130.09
Disposals/ capitalisations	(126.27)
As at 31 March 2023	**86.85**
Additions	166.75
Disposals/ capitalisations	(145.98)
As at 31 March 2024	**107.62**

Capital Work in progress ageing schedule
As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	53.54	49.03	-	-	102.57
Projects temporarily suspended	-	5.05	-	-	5.05
Total	**53.54**	**54.08**	**-**	**-**	**107.62**

As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	80.99	0.01	0.34	5.51	86.85
Total	**80.99**	**0.01**	**0.34**	**5.51**	**86.85**

As at 31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	17.89	2.07	5.04	-	25.00
Total	**17.89**	**2.07**	**5.04**	**-**	**25.00**

Note I:
There are no projects as on the reporting period which have materially exceeded cost as compared to its original plan or where completion is overdue.

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Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

4. Right of use assets

Particulars	Leasehold land	Leasehold building	Total
Deemed cost			
As at 1 April 2021 (refer note I below)	150.74	46.14	196.88
Additions	0.54	-	0.54
Disposals	-	-	-
As at 31 March 2022	**151.28**	**46.14**	**197.42**
Additions	-	7.71	7.71
Additions on account of business combination (refer note 48)	416.00	-	416.00
Disposals	-	-	-
As at 31 March 2023	**567.28**	**53.85**	**621.13**
Additions	27.97	25.19	53.16
Disposals	-	-	-
Assets held for sales	(88.78)	-	(88.78)
As at 31 March 2024	**506.47**	**79.04**	**585.51**
Depreciation			
Depreciation charge for the year 2021-22	1.76	13.97	15.73
Disposals/ adjustments	-	-	-
As at 31 March 2022	**1.76**	**13.97**	**15.73**
Depreciation charge for the year 2022-23	1.71	14.28	15.99
Disposals/ adjustments	-		-
As at 31 March 2023	**3.47**	**28.25**	**31.72**
Depreciation charge for the year 2023-24	6.66	17.78	24.44
Disposals/ adjustments	-	-	-
Assets held for sales	(1.07)	-	(1.07)
As at 31 March 2024	**9.06**	**46.03**	**55.09**
Net carrying value :			
As at 31 March 2024	**497.41**	**33.01**	**530.42**
As at 31 March 2023	**563.81**	**25.60**	**589.41**
As at 31 March 2022	**149.52**	**32.17**	**181.69**

Note I: Deemed cost of Right of use assets

Particulars	Leasehold land	Total
Gross carrying amount as per previous GAAP		
As at 1 April 2021	161.91	161.91
Accumulated depreciation as per previous GAAP		
As at 1 April 2021	(11.17)	(11.17)
Net carrying amount (deemed cost) as at 1 April 2021	**150.74**	**150.74**

Notes:
a. Leasehold land includes land taken on long term lease from government authorities.
b. Leasehold building represents property taken on lease for its corporate office and plant situated at Aurangabad accounted for in accordance with principle of Ind AS 116 ‘Leases’.

(Amount in Rupees million, unless otherwise stated)

6. Intangible assets

Particulars	Software	Total
Deemed cost		
As at 1 April 2021 (refer note I below)	**2.72**	**2.72**
Additions	0.80	0.80
Disposals	-	-
As at 31 March 2022	**3.52**	**3.52**
Additions	27.76	27.76
Disposals	(0.04)	(0.04)
As at 31 March 2023	**31.24**	**31.24**
Additions	4.44	4.44
Disposals	-	-
As at 31 March 2024	**35.68**	**35.68**
Amortisation		
Amortisation charge for the year 2021-22	1.57	1.57
Disposals/ adjustments	-	-
As at 31 March 2022	**1.57**	**1.57**
Amortisation charge for the year 2022-23	2.29	2.29
Disposals/ adjustments	(0.04)	(0.04)
As at 31 March 2023	**3.82**	**3.82**
Amortisation charge for the year 2023-24	6.48	6.48
Disposals/ adjustments	-	-
As at 31 March 2024	**10.30**	**10.30**
Net carrying value :		
As at 31 March 2024	**25.38**	**25.38**
As at 31 March 2023	**27.42**	**27.42**
As at 31 March 2022	**1.95**	**1.95**

Note I: Deemed cost of Intangible assets

Particulars	Software	Total
Gross carrying amount as per previous GAAP		
As at 1 April 2021	24.11	24.11
Accumulated depreciation as per previous GAAP		
As at 1 April 2021	(21.39)	(21.39)
Net carrying amount (deemed cost) as at 1 April 2021	**2.72**	**2.72**

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(Amount in Rupees million, unless otherwise stated)

7. Investments

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Investments measured at cost			
Unquoted investment in the capital of partnership firm			
Investment in associate			
M/s Metalman Micro Turners *	-	-	456.58
Total investments	**-**	**-**	**456.58**
Aggregate value of unquoted investments	-	-	456.58

* Upto March 28, 2023, the Company held 50% share in profit in the partnership firm namely "Metalman Micro Turners" and classified the same as an associate. Effective March 29, 2023, the Company acquired additional capital of 48% at a consideration of Rs. 997.80 million and consequently the Partnership Firm has become the subsidiary of the Holding Company.

8. Other financial assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current			
At amortised cost			
Security deposits, considered good	42.82	49.53	39.09
Bank deposits *	2.57	2.55	0.25
Advance to employees	-	0.05	0.47
	45.39	**52.13**	**39.81**
Current			
Interest receivables	0.59	0.97	0.26
Subsidy receivable	156.27	168.12	140.59
Other receivable	14.94	64.72	62.23
Advance to employees	-	1.34	-
Derivative instruments at fair value through profit or loss:			
Foreign exchange forward contracts receivables	2.12	-	3.91
	173.92	**235.15**	**206.99**

*** Bank deposits**
Includes Rs. 2.50 million margin money for bank guarantee (31 March 2023: Rs. 2.00 million, 31 March 2022: Rs. 0.25 million) for holding company.

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(Amount in Rupees million, unless otherwise stated)

9. Current tax assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance tax	27.43	-	-
	27.43	**-**	**-**

10. Other non-current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital advances	173.04	149.60	19.88
Prepaid expenses	1.58	1.92	1.55
Subsidy receivable *	78.30	-	-
Paid under protest**	1.69	-	-
	254.61	**151.52**	**21.43**

* Pending compliance with the annual conditions to accrue and receive the subsidy, the entire eligible subsidy amount is recognised and disclosed as a non-current assets with corresponding credit in the Deferred subsidy income. Post compliance of conditions to receive the subsidy, the applicable amount is recongnised as income in the statement of profit and loss and the corresponding recoverable is reclassified as financial assets.

**Represents:
- Rs. 1.68 million (31 March 2023: Rs. Nil, 31 March 2022: Rs. Nil) paid under protest on account of order received from Assistant Commissioner of CGST, Aurangabad.
- Rs. 0.01 million (31 March 2023: Rs. Nil, 31 March 2022: Rs.Nil) paid under protest on account of order received from CGST Proper officer, Delhi.

11. Assets classified as held for sales

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets classified as held for sales	333.37	-	-
	333.37	**-**	**-**

Note:
During the current year, the Board of Directors of Holding Company has approved to sell Chennai plant leasehold land and building and a residential flat of net book value of Rs. 245.66 million (including security deposit amounting to Rs. 16.99 million) and Rs. 87.71 million respectively for a consideration of Rs. 267.50 million and Rs. 120.00 million respectively. Accordingly, these assets are classified as assets held for sale recognised and measured in accordance with Ind-AS 105 “Non Current Assets Held For Sale and Discontinued Operations".

12. Inventories [#]
(at lower of cost or net realisable value)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Raw materials *	588.65	554.87	481.70
Work in progress	145.61	129.79	47.61
Finished goods**	186.48	172.87	156.72
Consumables and stores and spares including packing materials	78.18	34.02	32.50
Dies and Tools	56.51	59.22	24.84
Total	**1,055.43**	**950.77**	**743.37**

[#] Hypothecated as charge against short term-borrowings. Refer note 20.

* Raw material include stock in transit amounting to Rs. 13.38 million (31 March 2023: Rs. 8.60 million, 31 March 2022: Rs. 13.82 million).

** Finished goods include stock in transit amounting to Rs. 96.79 million (31 March 2023: Rs. 63.66 million, 31 March 2022: Rs. 116.37 million).

(Amount in Rupees million, unless otherwise stated)

13. Trade receivables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Unsecured, considered good	1,854.57	2,032.68	1,313.79
Unsecured, considered doubtful - Trade Receivables	-	-	-
Trade receivables, which have significant increase in credit risk	-	-	-
Trade recievables: Credit impaired	-	-	-
Less: allowance for credit loss	(23.39)	(68.26)	(61.12)
Total	**1,831.18**	**1,964.42**	**1,252.67**

Refer note 38 for related party balances.

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a shorter period from the date of balance sheet. All of the Group's trade receivables have been assessed for indications of impairment.

The allowance for doubtful accounts as of 31 March 2024, 31 March 2023 and 31 March 2022 and changes in the allowance for doubtful accounts for the year ended as of that are as follows:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening balance	68.26	61.12	56.39
Add: Provision made/ (reversed) on doubtful trade receivables	0.53	7.14	4.73
Less: Write offs, net of recoveries	(45.40)	-	-
Closing balance	**23.39**	**68.26**	**61.12**

Trade receivables ageing schedules

Particulars	Outstanding as at 31 March 2024 from the due date of collection						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	1,470.02	336.92	22.86	12.33	5.91	6.53	1,854.57
- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed+ non-disputed)	-	-	-	-	-	-	(23.39)
Total	**1,470.02**	**336.92**	**22.86**	**12.33**	**5.91**	**6.53**	**1,831.18**

Particulars	Outstanding as at 31 March 2023 from the due date of collection						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	1,303.92	600.66	32.31	25.58	67.98	2.23	2,032.68
- which have significant increase in credit risk		-	-	-	-	-	-
Disputed							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed+ non-disputed)	-	-	-	-	-	-	(68.26)
Total	**1,303.92**	**600.66**	**32.31**	**25.58**	**67.98**	**2.23**	**1,964.42**

(Amount in Rupees million, unless otherwise stated)

Trade receivables ageing schedules (contd.)

Particulars	Outstanding as at 31 March 2022 from the due date of collection						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	1,067.81	178.69	46.78	13.73	4.98	1.80	1,313.79
- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed+ non-disputed)	-	-	-	-	-	-	(61.12)
Total	**1,067.81**	**178.69**	**46.78**	**13.73**	**4.98**	**1.80**	**1,252.67**

14. Cash and cash equivalents :

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Balances with banks			
In current accounts	31.69	175.32	1.99
Cash on hand	2.21	1.86	1.56
Digital wallet	0.06	0.07	-
	33.96	**177.25**	**3.55**

For the purpose of statement of cash flows, cash and cash equivalents comprises balances with banks and cash on hand and balance in digital wallet as specified above.

15. Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Bank deposits with maturity for 3 to 12 months *	9.30	8.79	0.78
CSR contribution account with HDFC Bank **	-	3.13	5.82
	9.30	**11.92**	**6.60**

* Includes Rs. 0.57 million margin money for bank guarantee (31 March 2023: Rs. 0.57 million) for subsidiary.
** Earmarked balance with bank.

16. Loans- current
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Loan to staff	2.15	0.86	-
	2.15	**0.86**	**-**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Holding Company. The carrying value may be affected by changes in the credit risk of the counterparties.

17. Other current assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	50.44	80.54	105.95
Staff advance	3.94	4.42	1.16
Prepaid expenses	22.14	16.10	8.57
Balances with government authorities	22.32	89.81	8.72
Prepaid gratuity	8.81	7.32	-
Sundry receivable	0.10	0.05	-
	107.75	**198.24**	**124.40**

18. Equity share capital

	Particulars		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
			Number of shares	(Rs. In million)	Number of shares	(Rs. In million)	Number of shares	(Rs. In million)
a)	**Authorised**							
	Equity shares of Rs. 10/- each		5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
		Total	**5,000,000**	**50.00**	**5,000,000**	**50.00**	**5,000,000**	**50.00**
b)	**Issued, subscribed and fully paid up shares**							
	Equity shares of Rs. 10/- each		2,719,174	27.19	2,719,174	27.19	2,719,174	27.19
		Total	**2,719,174**	**27.19**	**2,719,174**	**27.19**	**2,719,174**	**27.19**

Note: Upto the year ended March 31, 2023, the authorised capital of the Holding Company was bifurcated and disclosed into equity share capital of Rs. 30 million and preference share capital of Rs. 20 million. However, the authorised preference share capital was already reclassified into authorised equity share capital in the financial year 2013-14. The aforesaid inadvertent error has been corrected in these restated consolidated financial information.

a. Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting year

Particulars		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
		Number of shares	(Rs. in million)	Number of shares	(Rs. in million)	Number of shares	(Rs. in million)
Equity Shares							
At the beginning of the reporting year		2,719,174	27.19	2,719,174	27.19	2,719,174	27.19
Outstanding at the end of the reporting year	**Total**	**2,719,174**	**27.19**	**2,719,174**	**27.19**	**2,719,174**	**27.19**

b. Terms/rights attached to equity shares

The Holding Company presently has one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors 'if any' is subject to the approval of the shareholders in the Annual General Meeting and then the shareholders are entitled for the dividend.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any part of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. No class of shares have been issued as bonus shares or for consideration other than cash by the Holding Company during the five years immediately preceding the current year end.

d. Detail of equity shareholders holding more than 5% aggregate equity shares in the Holding Company

	Particulars		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
			Number of shares held	% shareholding	Number of shares held	% shareholding	Number of shares held	% shareholding
	Name of the shareholder							
a)	Equity shares							
i)	Nishant Jairath		550,633	20.25%	550,633	20.25%	550,633	20.25%
ii)	Sachin Bembi		550,633	20.25%	550,633	20.25%	550,633	20.25%
iii)	Navneet Jairath		407,876	15.00%	407,876	15.00%	407,876	15.00%
iv)	Bikramjit Bembi		407,876	15.00%	407,876	15.00%	407,876	15.00%
v)	Sonia Bembi		258,321	9.50%	258,321	9.50%	258,321	9.50%
vi)	Nisha Jairath		258,321	9.50%	258,321	9.50%	258,321	9.50%
vii)	Savita Bembi		142,757	5.25%	142,757	5.25%	142,757	5.25%
viii)	Navita Jairath		142,757	5.25%	142,757	5.25%	142,757	5.25%
		Total	**2,719,174**	**100.00%**	**2,719,174**	**100.00%**	**2,719,174**	**100.00%**

e. The Board has not proposed any dividend during the year ended 31 March 2024 for equity share holders.

f. Shareholding of promoters

Sr No	Particulars	As at 31 March 2024			As at 31 March 2023			As at 31 March 2022	
		Number of Equity shares	% of Total Shares	% change during the year	Number of Equity shares	% of Total Shares	% change during the year	Number of Equity shares	% of Total Shares
	Promoter								
i)	Nishant Jairath	550,633	20.25%	0.00%	550,633	20.25%	0.00%	550,633	20.250%
ii)	Sachin Bembi	550,633	20.25%	0.00%	550,633	20.25%	0.00%	550,633	20.250%
iii)	Navneet Jairath	407,876	15.00%	0.00%	407,876	15.00%	0.00%	407,876	15.000%
iv)	Bikramjit Bembi	407,876	15.00%	0.00%	407,876	15.00%	0.00%	407,876	15.000%
	Total	**1,917,018**	**70.50%**		**1,917,018**	**70.50%**		**1,917,018**	**70.50%**

g. Subsequent to the year end, the members of the Holding Company in its Extraordinary General Meeting (EGM) dated April 24, 2024 has approved the increase in the authorised equity share capital of the Company to Rs. 200 million from the existing authorised share capital of Rs. 50 million.

h. Subsequent to the year end, the members of the Holding Company in its Extraordinary General Meeting (EGM) dated April 24, 2024 has approved the split of its equity share having face value of Rs. 10 each into a revised face value of Rs. 2 each. Further, in the aforesaid mentioned EGM, the members have also approved for issuance of bonus shares in the ratio of 5:1.

i. Consequent to the aforesaid point no. (g) and (h), the issued, subscribed and paid up equity share capital of the Holding Company has revised to 8,15,75,220 equity shares from its existing equity share of 27,19,174 .

(Amount in Rupees million, unless otherwise stated)

19 a. Other Equity

	Amount
a) Securities Premium	
As at 1 April 2021	23.75
Addition made during the year	-
As at 31 March 2022	**23.75**
Addition made during the year	-
As at 31 March 2023	**23.75**
Addition made during the year	-
As at 31 March 2024	**23.75**
b) General Reserve	
As at 1 April 2021	38.32
Addition made during the year	-
As at 31 March 2022	**38.32**
Addition made during the year	-
As at 31 March 2023	**38.32**
Addition made during the year	-
As at 31 March 2024	**38.32**
c) Retained Earnings	
As at 1 April 2021	1,748.05
Profit for the year	349.64
Other comprehensive income for the year	(2.39)
As at 31 March 2022	**2,095.30**
Profit for the year	631.62
Other comprehensive income for the year	2.47
As at 31 March 2023	**2,729.39**
Profit for the year	497.81
Other comprehensive income for the year	1.26
As at 31 March 2024	**3,228.46**
Total other equity	
As at 31 March 2024	**3,290.53**
As at 31 March 2023	**2,791.46**
As at 31 March 2022	**2,157.37**

19 b. Non-controlling Interest

As at 31 March 2022	**-**
Addition on account of Business combination (refer note 48)	35.06
Profit for the year	(0.51)
Other comprehensive income for the year	**-**
As at 31 March 2023	**34.55**
Profit for the year	2.23
As at 31 March 2024	**36.78**

Nature and purpose of reserves:

Securities Premium
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the Act).

Retained Earnings
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

General reserves
Free reserves to be utilised as per the provisions of the Act.

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(Amount in Rupees million, unless otherwise stated)

20. Borrowings

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Non-current borrowings			
Secured			
Term loans (refer note (a))			
Term Loan from Banks	2,006.76	1,835.50	1,239.44
Term Loan from NBFCs	350.00	666.00	465.00
Vehicle loan (refer note (a))			
Vehicle Loan from Bank	53.33	18.53	21.41
Unsecured			
Term loans			
from related parties	-	71.01	65.81
Less: Current maturities of long term borrowings	(549.41)	(681.26)	(360.01)
	1,860.68	**1,909.78**	**1,431.65**
Current Borrowings			
Secured			
Working capital loans from banks (refer note (b))			
Loan repayable on demand from Banks	717.06	515.41	62.73
Add: Current maturities of long-term debt	549.41	681.26	360.01
	1,266.47	**1,196.67**	**422.74**

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20. Borrowings (contd.)

Terms of Non-current borrowings (including respective current maturities)

Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2024 disclosing undiscounted outstanding balances:

a Details of security for term loans

For term loans obtained by Holding Company

i Term Loan amounting to Rs. 1,351.58 million (31 March 2023: Rs. 1221.93 million, 31 March 2022: Rs. 891.22 million) from HDFC Bank carrying interest @8.45% - 9.30% per annum., repayable in monthly and quarterly installments is secured by way of (1) first pari passu charge over the industrial property situated at industrial area 3, plot no 116 Pithampur, Dhar, Madhya Pradesh and (2) property bearing Sy.477, 478, 476, 473, 475/1 Mathigiri village kelamangalam krishnagiri Hosur and (3) first pari passu charge on the entire current assets including stock and receivables of the Holding Company both present and future.

ii Term Loan amounting to Rs. 228.32 million (31 March 2023: Rs. 256.51 million, 31 March 2022: Rs. 280.68 million) from Axis Bank carrying interest @9.30% per annum, repayable in quarterly installments is secured by way of (1) equitable mortgage on land and building of Hosur and (2) property located at industrial area 3 pithampur Madhya Pradesh. (3) first pari passu charge, by way of hypothecation of all movable fixed assets of the Holding Company except Chennai unit. Any additional collateral security offered by borrower to other term lenders (in case of pari passu charge) shall also be available to bank.

iii Term Loan amounting to Rs. 350.00 million (31 March 2023: Rs. 666.00 million, 31 March 2022: Rs. 465.00 million) from Bajaj Finserv Ltd (NBFC) carrying interest @9.65% per annum, repayable in quarterly installments is secured by way of (1) exclusive charge over land and building of Holding Company's unit situated at B12 MIDC, waluj Aurangabad. (2) exclusive charge over residential property situated at Ambience Island , Gurgaon and by way of (3) first pari passu on entire movable fixed assets of the Holding Company.

iv Term Loan amounting to Rs. Nil (31 March 2023: Rs. Nil, 31 March 2022: Rs. 67.54 million) from IndusInd Bank carrying floating interest @CD plus 2.58% per annum., repayable in quarterly installments is secured by way of (1) first pari passu charge with other term lender except Bajaj Finance Limited by way of hypothecation of all the movable fixed assets of the Holding Company excluding Chennai unit. (2) exclusive charge by way of mortgage on land and building of Pithampur plant II situated at plot no. 503-503 industrial area 3, Pithampur, Dhar, Madhya Pradesh.

v Home loan from HDFC Bank amounting to Rs. 146.86 million (31 March 2023: Rs. Nil, 31 March 2022: Rs. Nil) carrying interest @8.30% per annum, repayable in monthly installments is secured by way of exclusive charge over flat 1102, floor 11, situated at Ambience Island, NH-8, Gurgaon, 122001.

vi Vehicle loans carry interest @7.10%-10.30% per annum and is repayable in equated monthly installments (including interest).

For term loans obtained by Subsidiary

vii Term Loan amounting to Rs. 280.00 million (31 March 2023: Rs. 357.06 million) from HDFC Bank carrying interest @8.70% - 9.65% per annum., repayable in monthly and quarterly installments is secured by way of firstly secured by government guarantee under Emergency Credit Line Guarantee scheme (ECLGS) and secondly on Village Kapriwas, Akera Road, Dharuhera property, movable fixed assets and current assets.

viii Vehicle loans carry interest @8.60%-8.75% per annum and is repayable in equated monthly installments (including interest).

b **Terms and details of security of Short-term borrowings**

For Short-term borrowings obtained by Holding Company

Secured by way of hypothecation of whole of the current assets of the Holding Company namely stocks of Raw materials, Stock in process,Finished Goods, Stores and spares not relating to Plant & Machinery (consumable stores & spares), Bills Receivable, Book Debts and all other movables at factory premises and godowns or elsewhere in India or in transit together with second charge on the entire Land and Building of the Holding Company's manufacturing units along with Plant and machinery, other Equipments, both present and future, situated there, on pari-passu basis with multiple Banks.

For Short-term borrowings obtained by Subsidiary

Secured by way of hypothecation of whole of the current assets of the firm namely stocks of raw materials, stock in process, finished goods, stores and spares not relating to plant & machinery (consumable stores & spares), bills receivable, book debts and all other movables at factory premises and godowns or elsewhere in India or in transit together with second charge on the entire Land and building of the Firm's manufacturing units along with plant and machinery, other equipments, both present and future, situated there, on pari-passu basis with multiple Banks.

Terms of repayment

Working capital borrowing from HDFC Bank Limited is repayable on demand and carries interest @ 7.50% and @9.00% per annum by Holding Company and subsidiary respectively.

(Amount in Rupees million, unless otherwise stated)

21. Lease liabilities

	Non-current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Lease liabilities	23.60	20.35	29.55	20.76	15.32	13.11
	23.60	**20.35**	**29.55**	**20.76**	**15.32**	**13.11**

22. Provisions

	Non-current			Current		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits						
Provision for gratuity (refer note 37)	33.76	20.15	20.37	0.54	-	-
Provision for compensated absences	13.99	7.98	7.33	10.99	9.57	4.12
	47.75	**28.13**	**27.70**	**11.53**	**9.57**	**4.12**

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(Amount in Rupees million, unless otherwise stated)

23. Income Taxes

The major components of income tax expense are as under:

A. Statement of profit and loss:

(i) Profit and loss section

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	137.52	109.08	80.00
Taxation related to earlier years	(34.99)	(0.12)	(7.17)
Deferred tax charge/ (credit)	(61.22)	2.52	16.09
Income tax expense reported in the statement of profit and loss	**41.31**	**111.48**	**88.92**

(ii) Other comprehensive income (OCI)

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax (charge)/ credit on remeasurements of defined benefit plans	(0.47)	(1.24)	1.09
Income tax charge /(credit) to OCI	**(0.47)**	**(1.24)**	**1.09**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income tax	**541.35**	**715.19**	**384.28**
At India's statutory income tax rate of 25.168% (31 March 2023: 34.944%, 31 March 2022: 34.944%)	136.25	249.92	134.28
Adjustments in respect of current income tax due to:			
Income tax @ difference rate	16.95	-	-
Expenses not deductible for tax purposes	1.72	14.75	2.44
MAT Credit entitlement recognized during the year	-	-	(13.33)
Tax impact of additional deductions allowable under Income Tax Act	-	(4.88)	(20.41)
Taxation related to earlier years	-	(0.12)	(7.17)
Deferred tax liability not created on remeasurement of previously held interest	-	(137.12)	-
Impact of change in tax rate *	(92.19)	-	-
Others	(21.42)	(11.07)	(6.89)
Income tax expense reported in the statement of profit and loss	**41.31**	**111.48**	**88.92**

* The Holding Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 beginning current financial year 2023-24. Accordingly, the Holding Company has recognised Provision for Income tax for the year ended March 31, 2024 and re-measured its deferred tax assets/liabilities basis the rate prescribed in the said Section. The impact of this change amounting to Rs. 92.19 million towards deferred tax benefit has been recognised during the year ended March 31, 2024.

(Amount in Rupees million, unless otherwise stated)

C. Deferred tax

Deferred tax relates to the following:

	Balance sheet		
	As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2022**
Deferred tax assets on:			
-Expenses allowable on payment basis*	15.80	15.16	11.95
-Accounting of government grant as per Ind AS 20	(33.06)	(64.58)	(41.88)
- Provision for Expected credit loss on trade receivables	5.89	23.38	20.75
-Others	2.54	3.71	3.89
Deferred tax liabilities on:			
- differences in carrying value of property, plant and equipment and intangible assets between books of account and for tax purposes	(593.55)	(663.19)	(338.81)
-MAT credit entitlement	-	22.39	41.16
Net deferred tax assets/ (liabilities)	**(602.38)**	**(663.13)**	**(302.94)**

*Includes Income tax on remeasurement of defined benefit plans (OCI).

Reconciliation of deferred tax expense:

Opening balance	**(663.13)**	**(302.94)**
Deferred tax charge/ (credit) in statement of profit and loss (inclduing OCI)	60.75	(3.76)
Impact of business combination	-	(356.43)
Closing balance	**(602.38)**	**(663.13)**

(Amount in Rupees million, unless otherwise stated)

24. Trade payables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Trade payables			
- total outstanding dues of micro and small enterprises;	129.39	106.04	28.69
- total outstanding dues of creditors other than micro and small enterprises*	1,299.70	1,624.35	996.09
	1,429.09	**1,730.39**	**1,024.78**

* Includes payable to Related party (refer note 38)

Trade payables ageing schedule

Particulars	Outstanding as on 31 March 2024 from due date of payment					
	Not due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	113.62	15.24	0.53	-	-	129.39
(ii) Others	1,035.09	242.65	3.24	4.14	14.58	1,299.70
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**1,148.71**	**257.89**	**3.77**	**4.14**	**14.58**	**1,429.09**

Particulars	Outstanding as on 31 March 2023 from due date of payment					
	Not due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	75.91	30.11	0.02	-	-	106.04
(ii) Others	1,370.27	224.18	9.01	7.83	13.06	1,624.35
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**1,446.18**	**254.29**	**9.03**	**7.83**	**13.06**	**1,730.39**

Particulars	Outstanding as on 31 March 2022 from due date of payment					
	Not due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	26.76	1.93	-	-	-	28.69
(ii) Others	880.79	108.11	3.85	1.06	2.28	996.09
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**907.55**	**110.04**	**3.85**	**1.06**	**2.28**	**1,024.78**

25. Other Financial Liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost			
Interest accrued but not due on borrowings	15.10	14.15	7.02
Employee payables	82.23	70.89	42.15
Amount payable for property, plant and equipment	50.75	80.44	63.97
Other payable to related parties	-	0.92	1.78
Other payable	125.08	-	-
Derivative instruments at fair value through profit or loss:			
Foreign exchange forward contracts payable	-	7.35	-
	273.16	**173.75**	**114.92**

(Amount in Rupees million, unless otherwise stated)

26. Other liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance from customers (contract liability)	63.25	142.51	55.40
Statutory dues payable	33.74	122.23	32.66
Deferred grant liability	92.14	17.29	20.74
Advance received related to assets classified as held for sale	155.00	-	-
	344.13	**282.03**	**108.80**

27. Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Income tax provision (net of payments)	-	173.85	27.93
	-	**173.85**	**27.93**

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(Amount in Rupees million, unless otherwise stated)

28. Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contracts with customers			
Sale of products	14,177.14	9,745.34	9,589.40
Sale of services	612.71	516.10	516.17
Other operating revenue			
- Export incentives	14.03	14.50	12.73
- Revenue from solar power generation	11.21	8.49	15.10
- Scrap sales	260.88	219.48	174.18
	15,075.97	**10,503.91**	**10,307.58**

Details of revenue from contracts with customers:

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customers			
Goods transferred at a point in time			
Sale of automotive parts	14,177.14	9,745.34	9,589.40
Sale of services at a period of time	612.71	516.10	516.17
	14,789.85	**10,261.44**	**10,105.57**

Reconciliation of Revenue from sale of products with the contracted price

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Contracted Price	14,189.59	9,753.47	9,589.42
Less: Trade discounts, volume rebates, etc.	(12.45)	(8.13)	(0.02)
Sale of products	**14,177.14**	**9,745.34**	**9,589.40**

29. Other income

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Interest income			
- from banks	0.95	0.68	0.02
- from others	1.00	0.38	2.75
- on financial assets measured at amortised cost	0.22	0.29	0.27
Re-measurement of existing equity interest *	-	392.41	-
Gain on forward contract	2.12	3.09	-
Net foreign exchange gain	9.22	0.45	16.03
Rental income	-	1.19	0.10
Subsidy received **	123.75	10.79	18.11
Net gain on sale of property, plant and equipment	-	-	14.29
Excess provision written back	3.56	1.74	-
Other income	9.58	12.00	6.78
	150.40	**423.02**	**58.35**

* Represents remeasurement to fair value of existing equity interest in acquiree in business combination (refer note 48).

** During the financial year 2023-24, the group has recognised subsidy income of Rs. 123.75 million under Maharashtra Industrial Promotion Subsidy Policy- 2013 and Madhya Pradesh Investment Promotion Scheme-2014 which includes Rs. 69.90 million pertaining to the period i.e. April 1, 2020 to March 31, 2023. The subsidy has been recognised as per the eligibility certificate dated May 17, 2023 and June 28, 2023 received by the Holding Company in the financial year 2023-24 from the Directorate of Industries of the Government of Maharashtra and from Directorate of MP Industrial Development Corporation Limited. The Holding Company has filed claims of Rs. 69.90 million with the authorities. The management expects to receive the subsidy in the due course.

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

30. Cost of materials consumed

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Raw materials at the beginning of the year	554.87	481.70	411.79
Addition on account of business combination	-	104.11	-
Add: Purchases	10,909.45	7,835.53	8,015.43
Less: Discount received	(7.48)	(5.98)	(7.29)
Less: Raw material at the end of the year	(588.65)	(554.87)	(481.70)
	10,868.19	**7,860.49**	**7,938.23**

Breakup of raw material consumed

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Bought out parts and assorted others	5,597.84	4,483.59	4,590.39
Sheet	2,946.26	1,961.29	2,115.33
Steel tubes	1,537.76	917.18	751.63
MS Round	49.38	25.80	24.61
Welding Material	284.95	162.06	148.71
Chemicals	452.00	310.57	307.56
	10,868.19	**7,860.49**	**7,938.23**

31. Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year			
Work-in-progress	129.79	47.61	27.36
Addition on account of business combination	-	35.45	-
Finished goods	172.87	156.72	104.48
Addition on account of business combination	-	24.53	-
Total inventories at the beginning of the year	**302.66**	**264.31**	**131.84**
Inventories at the end of the year			
Work-in-progress	(145.61)	(129.79)	(47.61)
Finished goods	(186.48)	(172.87)	(156.72)
Total inventories at the end of the year	**(332.09)**	**(302.66)**	**(204.33)**
Changes in inventories of finished goods and work-in-progress	**(29.43)**	**(38.35)**	**(72.49)**

32. Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	694.68	472.99	436.74
Contribution to provident and other funds (refer note 37)	39.92	27.73	26.65
Gratuity expense (refer note 37)	20.36	10.46	9.72
Staff welfare expenses	39.31	30.72	22.66
	794.27	**541.90**	**495.77**

33. Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense			
- Interest on borrowings	270.04	133.37	139.13
- Interest on lease liabilities	3.53	3.29	3.99
Other borrowing costs	3.24	3.70	1.95
	276.81	**140.36**	**145.07**

(Amount in Rupees million, unless otherwise stated)

34. Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of Property, plant and equipment (refer note 3)	468.12	277.19	273.77
Depreciation of Right of use assets (refer note 4)	24.44	15.99	15.73
Amortisation of Intangible assets (refer note 6)	6.48	2.29	1.57
	499.04	**295.47**	**291.07**

35. Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Stores, spares and tools consumed	284.46	244.77	218.43
Power and fuel	414.23	243.92	210.40
Freight and cartage	152.32	125.85	119.88
Rent (refer note 40)	8.13	0.60	0.44
Rates and taxes	9.37	19.93	8.31
Insurance charges	21.54	15.91	12.19
Repairs and maintenance			
- Plant and machinery	124.98	58.30	71.14
- Building	14.06	11.20	9.51
- Others	27.19	29.09	30.58
Travelling and conveyance	33.83	28.57	13.79
Professional fees and charges	44.12	20.02	11.41
Payment to auditors	2.65	0.81	0.48
Effect of re-constitution of firm	-	32.11	-
Contribution towards corporate social responsibility	5.35	2.58	4.09
Allowance for doubtful debts	0.53	7.14	4.73
Balance written off	-	3.06	3.69
Net loss on sale and discard of property, plant and equipment	3.88	14.19	0.86
Labour charges	1,017.16	504.03	436.12
Donation and charity	0.04	0.03	1.05
Miscellaneous expenses	112.30	49.76	26.90
	2,276.14	**1,411.87**	**1,184.00**

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36. Earnings Per Equity Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by 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 reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**	**Year ended 31 March 2022**
(a) Net profit after tax attributable to the owners of the Company (in Rs. million)	497.81	631.62	349.64
(b) Calculation of weighted average equity shares of Rs. 2 each			
Weighted average number of equity shares outstanding during the year (Nos)	2,719,174	2,719,174	2,719,174
Split shares subsequent to March 31, 2024 (refer note 18 (h) above)	13,595,870	13,595,870	13,595,870
Bonus shares issue subsequent to March 31, 2024 (refer note 18 (h) above)	67,979,350	67,979,350	67,979,350
Weighted average number of equity share for calculating basic/ diluted EPS (Nos)	**81,575,220**	**81,575,220**	**81,575,220**
(c) Nominal value of equity shares (in Rs.)	2.00	2.00	2.00
(d) Basic/ diluted* earnings per share (in Rs.)	6.10	7.74	4.29

* There are no potential dilutive equity shares.

The members of the Company in its Extraordinary General Meeting (EGM) dated April 24, 2024 has approved the split of its equity share having face value of Rs. 10 each into a revised face value of Rs. 2 each. Further, in the aforesaid mentioned EGM, the members have also approved for issuance of bonus shares in the ratio of 5:1.

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(Amount in Rupees million, unless otherwise stated)

37. Employee benefit plans

A. Defined contribution plans

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Provident fund	34.67	24.03	22.66
Employee state insurance	5.08	3.64	3.93
Welfare fund	0.17	0.06	0.06
Total	**39.92**	**27.73**	**26.65**

B. Defined benefit plans (unfunded)

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year. Future expected payments have been discounted adopting the Projected Unit Credit Method.

Changes in the present value of the defined benefit obligation are, as follows:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation at the beginning of the year	104.70	75.76	61.48
Addition on account of business combination	-	19.76	-
Current service cost	19.64	9.55	8.97
Past service cost	-	(0.30)	-
Interest cost	7.54	5.41	4.09
Benefits paid	(4.29)	(2.01)	(1.81)
Actuarial (gain)/ loss on obligations - OCI	(1.49)	(3.48)	3.03
Defined benefit obligation at the end of the year	**126.10**	**104.70**	**75.76**

Changes in the fair value of plan assets are, as follows:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	91.87	55.39	46.78
Addition on account of business combination	-	27.08	-
Expected Interest Income on plan assets	6.82	4.20	3.34
Contribution by employer	5.93	7.13	7.18
Benefits paid	(4.25)	(2.01)	(1.81)
Acturial gain/(loss) on plan asset	0.24	0.08	(0.10)
Fair value of plan assets at the end of the year	**100.61**	**91.87**	**55.39**

Reconciliation of fair value of plan assets and defined benefit obligation:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Defined benefit obligation	126.10	104.70	75.76
Fair value of plan assets	100.61	91.87	55.39
Net (asset)/liability recognised in the Balance Sheet	**25.49**	**12.83**	**20.37**
Non-Current provision (refer note 22)	34.30	20.15	20.37
Other current assets of subsidiary (refer note 17)	8.81	7.32	-
Net (asset)/liability recognised in the Balance Sheet	**25.49**	**12.83**	**20.37**

(Amount in Rupees million, unless otherwise stated)

37. Employee benefit plans (contd.)

Amount recognised in statement of profit and loss:

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	19.64	9.55	8.97
Past service cost	-	(0.30)	-
Net Interest expense	0.72	1.21	0.75
Amount recognised in statement of profit and loss	**20.36**	**10.46**	**9.72**

Amount recognised in Other Comprehensive Income:

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain) /loss arising from present value obligation	0.77	(2.23)	6.40
Actuarial (gain) /loss arising from experience adjustments	(2.27)	(1.25)	(3.37)
Actuarial (gain) /loss arising from plan assets	(0.23)	(0.08)	0.10
Amount recognised in Other Comprehensive Income	**(1.73)**	**(3.56)**	**3.13**

Gratuity plan assets

The Holding Company has taken Group Gratuity Policy with Life Insurance Corporation of India (LIC).The Plan Assets are maintained by LIC.The detail of Plan Assets has not been furnished by LIC. Therefore information with respect to major categories of plan assets and percentage or amount that each category constitutes of the face value of the total plan assets has not been disclosed.

The principal assumptions used in determining gratuity liability are shown below:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Discount rate (holding company)	7.24%	7.35%	7.24%
Discount rate (subsidiary)	7.24%	7.36%	-
Expected rate of return on plan assets (holding company)	7.35%	6.86%	7.05%
Expected rate of return on plan assets (subsidiary)	7.36%	7.24%	-
Future salary increases	10.00%	10.00%	10.00%
Attrition Rate (all ages) (holding company)	15.00%	15.00%	12.00%
Attrition Rate (all ages) (subsidiary)	5.00%	5.00%	-
Retirement age	58	58	58
Inservice mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)

Salary growth rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation.

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Gratuity Plan		Impact on DBO		
	Sensitivity level	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assumptions				
Discount rate	+1.00%	(1.16)	(5.72)	(4.21)
	-1.00%	1.34	6.45	4.72
Future salary increases	+1.00%	1.29	5.84	4.19
	-1.00%	(1.15)	(5.31)	(3.84)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The expected maturity analysis of gratuity at undiscounted basis, is as follows:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Within 1 year	23.76	19.04	13.02
2 to 5 years	51.21	47.00	33.07
6 to 10 years	44.53	36.87	29.17
More than 10 years	84.71	78.21	53.14
Total expected payments	**204.21**	**181.12**	**128.40**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8.65 years for holding company and 18 years for subsidiary.

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38. Related party disclosures

A. List of related parties

(a) Associate
Metalman Micro Turners (upto March 28, 2023)

(b) Entities on which Key Management Personnel (KMP) have significant influence
Avid Ventures
Campbell International
Excelleta Tech Private Limited
Insightful Systems Pvt Ltd
Jade Ventures
MMT Autocomp
National Industries

(c) KMPs are managing trustee of Charitable trust
Metalman Charitable Trust

(d) Group Gratuity Trust fund managed by representative of the Company
Metalman Auto Private Limited Employees Group Gratuity cum-life Assurance (Cash accumulation scheme), Pithampur (MP).

(e) Key Managerial Personnel

Navneet Jairath	Managing Director
Bikramjit Bembi	Chairman
Sachin Bembi	Whole time Director
Nishant Jairath	Whole time Director
Shrikant Gulabchand Mundada	Whole time Director
Satish Kumar Pandey (upto January 15, 2024)	Whole time Director
Anoop Kumar Gwal (upto February 2, 2024)	Whole time Director
Sushil Kumar Singh (w.e.f. January 15, 2024)	Independent Director
Rajnish Magan (w.e.f. February 23, 2024)	Independent Director
Ajay Kumar Dubey (w.e.f. June 27, 2024)	Chief Financial Officer
Tarun Kumar (w.e.f. June 27, 2024)	Company Secretary

(f) Relative of KMP
Navita Jairath
Savita Bembi
Nisha Jairath
Sonia Bembi
Gunjan Jairath
Nitasha Bembi
Reema Chaddha

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38. Related party disclosures (contd.)

B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Sale of goods					
Metalman Micro Turners					
31 March 2024	-	-	-	-	-
31 March 2023	0.47	-	-	-	-
31 March 2022	0.10	-	-	-	-
MMT Autocomp					
31 March 2024	-	159.97	-	-	-
31 March 2023	-	2.16	-	-	-
31 March 2022	-	0.10	-	-	-
					-
National Industries					
31 March 2024	-	2.41	-	-	-
31 March 2023	-	1.90	-	-	-
31 March 2022	-	2.23	-	-	
	-	-	-	-	
Purchase of goods					
Metalman Micro Turners					
31 March 2024	-	-	-	-	-
31 March 2023	0.07	-	-	-	-
31 March 2022	0.46	-	-	-	-
MMT Autocomp					
31 March 2024	-	445.03	-	-	-
31 March 2023	-	21.62	-	-	-
31 March 2022	-	10.93	-	-	-
National Industries					
31 March 2024	-	352.61	-	-	-
31 March 2023	-	293.80	-	-	-
31 March 2022	-	323.73	-	-	
Sale of property, plant and equipments					
MMT Autocomp					
31 March 2024	-	0.42	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	-	-
Avid Ventures					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	
31 March 2022	-	2.89	-	-	
National Industries	-	-	-	-	-
31 March 2024	-	-	-	-	-
31 March 2023	-	0.13	-	-	-
31 March 2022					
Advance received for sale of assets					
Nishant Jairath					
31 March 2024	-	-	1.00	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	-	-
Services received					
National Industries					
31 March 2024	-	-	-	-	-
31 March 2023	-	0.02	-	-	-
31 March 2022	-	-	-	-	-

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B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Insightful Systems Private Limited					
31 March 2024	-	2.69	-	-	-
31 March 2023	-	0.91	-	-	-
31 March 2022	-	-	-	-	-
Excelleta Tech Private Limited					
31 March 2024	-	2.69	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	-	-
Jade Ventures					
31 March 2024	-	5.38	-	-	-
31 March 2023	-	0.65	-	-	-
31 March 2022	-	-	-	-	-
Services given					
Metalman Micro Tuners					
31 March 2024	-	-	-	-	-
31 March 2023	12.64	-	-	-	-
31 March 2022	1.10	-	-	-	-
National Industries					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	1.42	-	-	-
Purchase of capital goods.					
National Industries					
31 March 2024	-	0.88	-	-	-
31 March 2023	-	0.22	-	-	-
31 March 2022	-	1.05	-	-	-
Campbell International					
31 March 2024	-	0.24	-	-	-
31 March 2023	-	0.57	-	-	-
31 March 2022	-	-	-	-	-
Insightful Systems Pvt Ltd					
31 March 2024	-	-	-	-	-
31 March 2023	-	0.60	-	-	-
31 March 2022	-	-	-	-	-

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B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Rent paid					
National Industries					
31 March 2024	-	3.89	-	-	-
31 March 2023	-	3.72	-	-	-
31 March 2022	-	3.72	-	-	-
Rent received					
Metalman Micro Turners					
31 March 2024	-	-	-	-	
31 March 2023	1.19	-	-	-	-
31 March 2022	0.35	-	-	-	-
Reimbursment of expenses					
Metalman Micro Turners					
31 March 2024	1.37	-	-	-	-
31 March 2023	0.24	-	-	-	-
31 March 2022	0.02	-	-	-	-
Campbell International					
31 March 2024	-	0.57	-	-	-
31 March 2023	-	1.14	-	-	-
31 March 2022	-	1.65	-	-	-
National Industries					
31 March 2024	-	12.65	-	-	-
31 March 2023	-	8.50	-	-	-
31 March 2022	-	7.59	-	-	-
Avid Ventures					
31 March 2024	-	10.42	-	-	-
31 March 2023	-	8.10	-	-	-
31 March 2022	-	3.36	-	-	-
Jade ventures					
31 March 2024	-	-	-	-	-
31 March 2023	-	0.17	-	-	-
31 March 2022	-	-	-	-	-
CSR donation					
Metalman charitable trust					
31 March 2024	-	2.11	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	1.00	-	-	-
Contribution towards gratuity plan asset					
31 March 2024	-	-	-	-	2.50
31 March 2023	-	-	-	-	7.13
31 March 2022	-	-	-	-	7.18
Director remuneration (including reimbursement)*					
Navneet Jairath					
31 March 2024	-	-	13.90	-	-
31 March 2023	-	-	14.00	-	-
31 March 2022	-	-	7.04	-	-
Bikramjit Bembi					
31 March 2024	-	-	13.92	-	-
31 March 2023	-	-	14.06	-	-
31 March 2022	-	-	7.10	-	-

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(Amount in Rupees million, unless otherwise stated)

B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Nishant Jairath					
31 March 2024	-	-	10.00	-	-
31 March 2023	-	-	9.96	-	-
31 March 2022	-	-	8.61	-	-
Sachin Bembi					
31 March 2024	-	-	9.92	-	-
31 March 2023	-	-	13.59	-	-
31 March 2022	-	-	8.65	-	-
Anoop Kumar Gwal					
31 March 2024	-	-	1.53	-	-
31 March 2023	-	-	2.83	-	-
31 March 2022	-	-	3.34	-	-
Satish Pandey					
31 March 2024	-	-	2.31	-	-
31 March 2023	-	-	2.56	-	-
31 March 2022	-	-	2.23	-	-
Shrikant Gulabchand Mundada					
31 March 2024	-	-	11.69	-	-
31 March 2023	-	-	14.13	-	-
31 March 2022	-	-	9.05	-	-
Loan taken during the year					
Navneet Jairath					
31 March 2024	-	-	4.74	-	-
31 March 2023	-	-	5.74	-	-
31 March 2022	-	-	5.42	-	-
Bikramjit Bembi					
31 March 2024	-	-	3.07	-	-
31 March 2023	-	-	5.35	-	-
31 March 2022	-	-	4.82	-	-
Nishant Jairath					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	2.17	-	-
31 March 2022	-	-	1.79	-	-
Sachin Bembi					
31 March 2024	-	-	3.22	-	-
31 March 2023	-	-	3.85	-	-
31 March 2022	-	-	3.23	-	-
Navita Jairath					
31 March 2024	-	-		-	-
31 March 2023	-	-		0.36	-
31 March 2022	-	-		0.73	-
Gunjan Jairath					
31 March 2024	-	-		-	-
31 March 2023	-	-		0.20	-
31 March 2022	-	-		0.42	-
Nisha Jairath					
31 March 2024	-	-		-	-
31 March 2023	-	-		0.34	-
31 March 2022	-	-		1.60	-
Nitasha Bembi					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	0.44	-
31 March 2022	-	-	-	0.88	-
Savita Bembi					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	0.01	-
31 March 2022	-	-	-	0.04	-

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B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Sonia Bembi					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	0.60	-
31 March 2022	-	-	-	2.59	-
Navneet Jairath & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	0.25	-	-	-
Bikramjit Bembi & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	0.30	-	-	-
Loan repaid during the year					
Navneet Jairath					
31 March 2024	-	-	22.13	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	-	-
Bikramjit Bembi					
31 March 2024	-	-	13.08	-	-
31 March 2023	-	-	5.00	-	-
31 March 2022	-	-	-	-	-
Nishant Jairath					
31 March 2024	-	-	3.65	-	-
31 March 2023	-	-	1.50	-	-
31 March 2022	-	-	1.01	-	-
Sachin Bembi					
31 March 2024	-	-	7.76	-	-
31 March 2023	-	-	7.36	-	-
31 March 2022	-	-	2.99	-	-
Gunjan Jairath					
31 March 2024	-	-	-	3.43	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.15	-
Navita Jairath					
31 March 2024	-	-	-	6.12	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.15	-
Nisha Jairath					
31 March 2024	-	-	-	7.37	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.20	-
Nitasha Bembi					
31 March 2024	-	-	-	7.50	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.15	-
Savita Bembi					
31 March 2024	-	-	-	0.11	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.15	-
Sonia Bembi					
31 March 2024	-	-	-	10.20	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	0.15	-

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Navneet Jairath & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	3.28	-	-	-
Bikramjit Bembi & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	3.60	-	-	-
Reema Chaddha					
31 March 2024	-	-	-	0.70	-
31 March 2023	-	-	-	0.01	-
31 March 2022	-	-	-	-	-
Interest expense					
Navneet Jairath					
31 March 2024	-	-	1.21	-	-
31 March 2023	-	-	0.82	-	-
31 March 2022	-	-	0.55	-	-
Bikramjit Bembi					
31 March 2024	-	-	0.66	-	-
31 March 2023	-	-	0.39	-	-
31 March 2022	-	-	0.41	-	-
Nishant Jairath					
31 March 2024	-	-	0.23	-	-
31 March 2023	-	-	0.19	-	-
31 March 2022	-	-	0.14	-	-
Sachin Bembi					
31 March 2024	-	-	0.22	-	-
31 March 2023	-	-	0.47	-	-
31 March 2022	-	-	0.57	-	-
Gunjan Jairath					
31 March 2024	-	-	-	0.24	-
31 March 2023	-	-	-	0.24	-
31 March 2022	-	-	-	0.22	-
Navita Jairath					
31 March 2024	-	-	-	0.42	-
31 March 2023	-	-	-	0.40	-
31 March 2022	-	-	-	0.39	-
Nisha Jairath					
31 March 2024	-	-	-	0.51	-
31 March 2023	-	-	-	0.49	-
31 March 2022	-	-	-	0.44	-
Nitasha Bembi					
31 March 2024	-	-	-	0.52	-
31 March 2023	-	-	-	0.49	-
31 March 2022	-	-	-	0.47	-
Savita Bembi					
31 March 2024	-	-	-	0.01	-
31 March 2023	-	-	-	0.01	-
31 March 2022	-	-	-	0.01	-
Sonia Bembi					
31 March 2024	-	-	-	0.71	-
31 March 2023	-	-	-	0.67	-
31 March 2022	-	-	-	0.57	-
Reema Chaddha					
31 March 2024	-	-	-	0.08	-
31 March 2023	-	-	-	0.08	-
31 March 2022	-	-	-	-	-

Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

B. The following transactions were carried out with related parties in the ordinary course of business:-

Nature of transactions	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP	Group gratuity trust fund managed by representative of the Company
Navneet Jairath & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	0.15	-	-	-
Bikramjit Bembi & sons HUF					
31 March 2024	-	-	-	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	0.16	-	-	-
Guarantee provided against vehical loan in subsidiary- Sachin Bembi					
31 March 2024	-	-	4.84	-	-
31 March 2023	-	-	-	-	-
31 March 2022	-	-	-	-	-

*Managerial remuneration does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and individual amount cannot be determined.

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Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

38. Related party disclosures (contd.)

C. Balances receivable from/ payable to related parties:

Nature of balance outstanding and name of related party	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP
Trade receivable				
Metalman Micro Turners				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	-
31 March 2022	0.04	-	-	-
Avid Ventures				
31 March 2024	-	2.55	-	-
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Jade Ventures				
31 March 2024	-	-	-	-
31 March 2023	-	0.17	-	-
31 March 2022	-	-	-	-
MMT Autocomp				
31 March 2024	-	16.17	-	-
31 March 2023	-	25.59	-	-
31 March 2022	-	-	-	-
Trade payable				
MMT Autocomp				
31 March 2024	-	4.69	-	-
31 March 2023	-	4.15	-	-
31 March 2022	-	5.39	-	-
National Industries				
31 March 2024	-	81.53	-	-
31 March 2023	-	76.57	-	-
31 March 2022	-	80.09	-	-
Campbell International				
31 March 2024	-	0.02	-	-
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Insightful Systems Pvt Ltd				
31 March 2024	-	-	-	-
31 March 2023	-	0.55	-	-
1 April 2022	-	-	-	-
Excelleta Tech Private Limited				
31 March 2024	-	0.48	-	-
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
Jade Ventures				
31 March 2024	-	1.23	-	-
31 March 2023	-	0.62	-	-
31 March 2022	-	-	-	-
Loans outstanding				
Navneet Jairath				
31 March 2024	-	-	-	-
31 March 2023	-	-	17.40	-
31 March 2022	-	-	11.66	-
Bikramjit Bembi				
31 March 2024	-	-	-	-
31 March 2023	-	-	10.00	-
31 March 2022	-	-	9.66	-

(Amount in Rupees million, unless otherwise stated)

Nature of balance outstanding and name of related party	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP
Nishant Jairath				
31 March 2024	-	-	-	-
31 March 2023	-	-	3.65	-
31 March 2022	-	-	2.98	-
Sachin Bembi				
31 March 2024	-	-	-	-
31 March 2023	-	-	4.53	-
31 March 2022	-	-	8.04	-
Gunjan Jairath				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	3.43
31 March 2022	-	-	-	3.23
Navita Jairath				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	6.12
31 March 2022	-	-	-	5.75
Nisha Jairath	-	-	-	-
31 March 2024	-	-	-	7.37
31 March 2023	-	-	-	7.04
31 March 2022				
Nitasha Bembi				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	7.50
31 March 2022	-	-	-	7.06
Savita Bembi				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	0.11
31 March 2022	-	-	-	0.10
Sonia Bembi				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	10.20
31 March 2022	-	-	-	9.59
Reema Chaddha				
31 March 2024	-	-	-	-
31 March 2023	-	-	-	0.70
31 March 2022	-	-	-	0.71
Director Remuneration Payable				
Navneet Jairath				
31 March 2024	-	-	2.20	-
31 March 2023	-	-	0.76	-
31 March 2022	-	-	0.56	-
Bikramjit Bembi				
31 March 2024	-	-	2.20	-
31 March 2023	-	-	0.53	-
31 March 2022	-	-	0.31	-
Sachin Bembi				
31 March 2024	-	-	0.36	-
31 March 2023	-	-	0.06	-
31 March 2022	-	-	0.72	-
Nishant Jairath				
31 March 2024	-	-	2.14	-
31 March 2023	-	-	-	-
31 March 2022	-	-	0.19	-

(Amount in Rupees million, unless otherwise stated)

Nature of balance outstanding and name of related party	Associate	Entities on which KMP have significant influence	Key Managerial Personnel*	Relatives of KMP
Satish Pandey				
31 March 2024	-	-	-	-
31 March 2023	-	-	0.17	-
31 March 2022	-	-	0.12	-
Anoop Kumar Gwal				
31 March 2024	-	-	-	-
31 March 2023	-	-	0.17	-
31 March 2022	-	-	0.17	-
Shrikant Gulabchand Mundada				
31 March 2024	-	-	0.61	-
31 March 2023	-	-	0.55	-
31 March 2022	-	-	0.18	-
Guarantee provided against vehical loan in subsidiary				
- Sachin Bembi				
31 March 2024	-	-	4.14	-
31 March 2023	-	-	-	-
31 March 2022	-	-	-	-
-Nishant Jairath				
31 March 2024	-	-	-	-
31 March 2023	-	-	0.90	-
31 March 2022	-	-	2.35	-

D. Terms

All transactions and outstanding balances with these related parties are disclosed at undiscounted values, are priced on at arm's length basis and are to be settled within the credit period allowed as per the policy. All related parties balances are unsecured and considered good.

(Amount in Rupees million, unless otherwise stated)

38. Related party disclosures (contd.)

E. Transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the years ended 31 March 2024, 31 March 2023 and 31 March 2022:

Name of the Entity	**Relationship**
Metalman Micro Turners	Subsidiary (w.e.f. 29 March 2023)

	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Sale of products			
Metalman Micro Turners	0.61	-	-
Services given			
Metalman Micro Turners	14.36	0.08	-
Purchase of products			
Metalman Micro Turners	2.85	-	-
Rent received			
Metalman Micro Turners	0.33	0.01	-

F. Balances eliminated on consolidation as per Ind AS 24 read with ICDR Regulations as at 31 March 2024, 31 March 2023 and 31 March 2022:

	As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2022**
Trade receivable			
Metalman Micro Turners	9.95	8.63	-

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(Amount in Rupees million, unless otherwise stated)

39. Segment information

The Group deals in only one business segment of manufacturing and sale of autoparts and ancillary equipments and the chief operating decision maker (CODM) reviews the operations of the Group as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another. Most of the activities are revolving around this business and accordingly has only one reportable segment.

Entity wide disclosure details as per Ind AS 108 on operating segments are given below-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Within India	14,441.99	9,850.40	9,895.85
Outside India	633.98	653.51	411.73
Total Revenue	**15,075.97**	**10,503.91**	**10,307.58**

There are no material non-current assets domiciled outside India.

Revenue from two customers (31 March 2023 : three, 31 March 2022 : two) individually accounted for more than 10% of the total revenue.

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(Amount in Rupees million, unless otherwise stated)

40. Leases:

The following is the break-up of current and non-current lease liabilities

Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Non-current lease liabilities	23.60	20.35	29.55
Current lease liabilities	20.76	15.32	13.11
Total	**44.36**	**35.67**	**42.66**

The following is the movement in lease liabilities during the year

Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Balance at the beginning of the year	35.67	42.66	55.63
Additions	25.11	7.52	-
Finance cost accrued during the year	3.53	3.29	3.99
Deletions	-	-	-
Payment of lease liabilities	(19.95)	(17.80)	(16.96)
Balance at the end of the year	**44.36**	**35.67**	**42.66**

The weighted average incremental borrowing rate applied to lease liabilities of group is 8% per annum.

Rental expense recorded for short-term leases was Rs. 8.13 million for the year ended 31 March 2024 (year ended 31 March 2023: Rs. 0.60 million and March 31, 2022: Rs. 0.44 million)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 on an undiscounted basis.

	As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2022**
Not later than one year	21.17	13.95	16.04
Later than one year and not later than five years	26.49	27.13	30.68
Later than five years	-	-	3.66
	47.66	**41.08**	**50.38**

41. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are Rs. 72.55 million (31 March 2023: Rs. 78.29 million and 31 March 2022: Rs. 32.33 million).

42. Contingent Liabilities

		As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2022**
(a)	Contingent Liabilities not provided for in respect of :			
	(I) Claims not acknowleded as debts			
	(a) PF Act	-	0.10	0.10
	(b) Workmen Compensation Act	2.33	2.33	2.33
	(c) CGST Act	35.71	0.18	-
	(d) Income Tax Act	11.54	-	-
	(e) Custom Act	1.08	-	-
	(II) Bank guarantee	3.07	2.57	0.25
		53.73	**5.17**	**2.68**

Note: The various matters other than bank guarantee are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the group.

(b) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. Pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the books of account.

(c) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits has been notified in the Official Gazette on September 29, 2020. The draft rules have been released on November 13, 2020 and suggestions have been invited from stakeholders which are under consideration by the Ministry. The impact of the change will be assessed and accounted in the period in which said rules are notified for implementation.

(Amount in Rupees million, unless otherwise stated)

43. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

	Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(I)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:			
	Principal amount due to micro and small enterprises	129.39	106.04	28.69
	Interest due on above	1.52	0.53	0.81
(II)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	1.34	0.81	-
(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 period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
(IV)	The amount of interest accrued and remaining unpaid at the end of each accounting year	2.86	1.34	0.81
(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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

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(Amount in Rupees million, unless otherwise stated)

44. Fair values measurements

(i) Financial instruments by category

Particulars	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Investments (non-current)	-	-	-	-	-	456.58
Other financial assets (non-current)	-	45.39	-	52.13	-	39.81
Trade receivables	-	1,831.18	-	1,964.42	-	1,252.67
Cash and cash equivalents	-	33.96	-	177.25	-	3.55
Bank balances other than cash and cash equivalent	-	9.30	-	11.92	-	6.60
Loans (current)	-	2.15	-	0.86	-	-
Other financial assets (current)	2.12	171.80	-	235.15	3.91	203.08
Total financial assets	**2.12**	**2,093.78**	**-**	**2,441.73**	**3.91**	**1,962.29**
Financial liabilities						
Borrowings (non-current)	-	1,860.68	-	1,909.78	-	1,431.65
Lease liabilities	-	44.36	-	35.67	-	42.66
Borrowings (current)	-	1,266.47	-	1,196.67	-	422.74
Trade payables (current)	-	1,429.09	-	1,730.39	-	1,024.78
Other financial liabilities (current)	-	273.16	7.35	166.40	-	114.92
Total financial liabilities	**-**	**4,873.76**	**7.35**	**5,038.91**	**-**	**3,036.75**

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, other than those whose fair values are close approximations of their carrying values.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2024:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Security deposits	31-03-2024	42.82	-	-	42.82
Financial liabilities					
Non-current borrowings*	31-03-2024	2,410.09	-	-	2,410.09

There have been no transfers between Level 1 and Level 2 during the year.

(Amount in Rupees million, unless otherwise stated)

(ii) Fair value hierarchy (contd.)
Assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2023:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Security deposits	31-03-2023	49.53	-	-	49.53
Financial liabilities					
Non-current borrowings*	31-03-2023	2,591.04	-	-	2,591.04

There have been no transfers between Level 1 and Level 2 during the year.

44. Fair values measurements (Contd.)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed at 31 March 2022:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Security deposits	31-03-2022	39.09	-	-	39.09
Financial assets					
Non-current borrowings*	31-03-2022	1,791.66	-	-	1,791.66

There have been no transfers between Level 1 and Level 2 during the year.

* Includes current maturities of long term borrowings.

Valuation technique used to determine fair value:

(i) For cash and cash equivalents, trade receivables, loans, other financial assets, short term borrowings, trade payables and other current financial liabilities the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair value of security deposits is determined using discounted cash flow analysis.

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45. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade payables and capital creditors. The Group's principal financial assets include security deposits, trade receivables, cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Group. The board provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. 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 risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include, deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2024, 31 March 2023 and 31 March 2022.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

	Increase/ decrease in basis points	Effect on profit before tax
		Rs. Million
31 March 2024		
INR	+50	(15.37)
INR	-50	15.37
31 March 2023		
INR	+50	(14.36)
INR	-50	14.36
31 March 2022		
INR	+50	(8.84)
INR	-50	8.84

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior year.

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(Amount in Rupees million, unless otherwise stated)

45. Financial risk management objectives and policies (contd.)

B. Foreign currency sensitivity

Foreign currency (FC) risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31 March 2024		31 March 2023		31 March 2022	
	Amount in FC	Amount in Rs.	Amount in FC	Amount in Rs.	Amount in FC	Amount in Rs.
Trade receivables						
EUR	719,274.00	63.56	365,486.17	32.66	134,288.06	11.29
USD	1,413,702.82	115.41	734,244.26	60.33	952,736.75	72.20
Trade payables						
EUR	75,093.00	6.91	86,740.30	7.75	85,935.51	7.23
USD	-	-	3,336.59	0.27	-	-
GBP	-	-	-	-	-	-
Borrowings						
EUR	725,309.88	64.10	245,220.45	21.92	153,258.30	12.89
USD	50,494.43	4.12	557,680.95	45.83	274,045.44	20.77
Payable for property, plant and equipment						
EUR	580.00	0.05	-	-	580.00	0.05
USD	8,700.00	0.74	-	-	13,200.00	1.00
GBP	27,500.00	2.95	27,500	2.80	27,500.00	2.74

	31 March 2024		31 March 2023		31 March 2022	
	Impact on profit before tax					
	Change +1%	Change -1%	Change +1%	Change -1%	Change +1%	Change -1%
Trade receivables						
EUR	0.64	(0.64)	0.33	(0.33)	0.11	(0.11)
USD	1.15	(1.15)	0.60	(0.60)	0.72	(0.72)
Trade payables						
EUR	0.07	(0.07)	0.08	(0.08)	0.07	(0.07)
USD	-	-	0.00	(0.00)	0.01	(0.01)
GBP	-	-	-	-	0.03	(0.03)
Borrowings						
EUR	0.64	(0.64)	0.22	(0.22)	0.13	(0.13)
USD	0.04	(0.04)	0.46	(0.46)	0.21	(0.21)
Amount payable for property, plant and equipment						
EUR	0.00	(0.00)	-	-	0.00	(0.00)
USD	0.01	(0.01)	-	-	0.01	(0.01)
GBP	0.03	(0.03)	0.03	(0.03)	0.03	(0.03)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of monetary assets and liabilities denominated in foreign currency.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Group's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

(Amount in Rupees million, unless otherwise stated)

45. Financial risk management objectives and policies (contd.)
A. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the years end the Group does not have any significant concentrations of bad debt risk other than disclosed in Note 13.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 44. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

II. Credit risk (contd.)
B. Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans.
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 12 months	1 to 5 years	> 5 years	Total
As at 31 March 2024				
Borrowings (non-current)	-	1,636.67	224.01	1,860.68
Borrowings (current)	1,266.47	-	-	1,266.47
Trade payables	1,429.09	-	-	1,429.09
Lease liabilities	21.17	26.49	-	47.66
Other financial liabilities (current)	273.16	-	-	273.16
	2,989.89	**1,663.16**	**224.01**	**4,877.06**
As at 31 March 2023				
Borrowings (non-current)	-	1,521.65	388.13	1,909.78
Borrowings (current)	1,196.67	-	-	1,196.67
Trade payables	1,730.39	-	-	1,730.39
Lease liabilities	13.95	27.13	-	41.08
Other financial liabilities (current)	173.75	-	-	173.75
	3,114.76	**1,548.78**	**388.13**	**5,051.67**
As at 31 March 2022				
Borrowings (non-current)	-	998.62	433.03	1,431.65
Borrowings (current)	422.74	-	-	422.74
Trade payables	1,024.78	-	-	1,024.78
Lease liabilities	16.04	30.68	3.66	50.38
Other financial liabilities (current)	114.92	-	-	114.92
	1,578.48	**1,029.30**	**436.69**	**3,044.47**

IV. 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 Group's performance to developments affecting a particular industry.

(Amount in Rupees million, unless otherwise stated)

46 . Capital Management

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out committed work programme requirements. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31 March 2024.

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Borrowing	3,127.15	3,106.45	1,854.39
Less: Cash and bank balances *	(45.83)	(191.72)	(10.40)
Net debts (A)	**3,081.32**	**2,914.73**	**1,843.99**
Total equity	**3,354.50**	**2,853.20**	**2,184.56**
Total net debt and equity (B)	**6,435.82**	**5,767.93**	**4,028.55**
Gearing ratio (%) (A/B)	**47.88%**	**50.53%**	**45.77%**

* This includes non-current deposits with banks.

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Metalman Auto Limited
(Formerly as Metalman Auto Private Limited)
(CIN: U34103DL1986PLC305213)
Notes to Restated Consolidated Financial Information
(Amount in Rupees million, unless otherwise stated)

47. Additional information required by Schedule III

Name of the entity in the group		Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent									
Metalman Auto Limited									
	Mar-24	88.87%	2,981.01	102.83%	514.21	84.92%	1.07	102.79%	515.28
	Mar-23	86.42%	2,465.73	42.03%	265.19	93.93%	2.32	42.22%	267.51
	Mar-22	78.46%	1,714.07	84.48%	295.36	85.36%	(2.04)	84.47%	293.32
Subsidiary									
Metalman Micro Turners									
	Mar-24	2.53%	85.27	22.03%	110.17	15.08%	0.19	22.01%	110.36
	Mar-23	-0.88%	(25.11)	-3.98%	(25.12)	0.10%	0.00	-3.96%	(25.12)
	Mar-22	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per equity method)									
Metalman Micro Turners									
	Mar-24	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Mar-23	0.00%	-	4.34%	27.40	6.07%	0.15	4.35%	27.55
	Mar-22	20.90%	456.58	15.52%	54.28	14.64%	(0.35)	15.53%	53.93
Non-controlling interest									
Metalman Micro Turners									
	Mar-24	1.10%	36.78	0.45%	2.23	0.00%	-	0.44%	2.23
	Mar-23	1.21%	34.55	-0.09%	(0.51)	0.00%	(0.00)	-0.08%	(0.51)
	Mar-22	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment due to consolidation									
	Mar-24	7.50%	251.44	-25.31%	(126.57)	0.00%	-	-25.24%	(126.57)
	Mar-23	13.25%	378.03	57.70%	364.15	-0.10%	(0.00)	57.47%	364.15
	Mar-22	0.64%	13.91	0.00%	-	0.00%	-	0.00%	-
Total									
	Mar-24	100%	3,354.50	100%	500.04	100%	1.26	100%	501.30
	Mar-23	100%	2,853.20	100%	631.11	100%	2.47	100%	633.58
	Mar-22	100%	2,184.56	100%	349.64	100%	(2.39)	100%	347.25

48 Business Combination

During the financial year 2022-23, the Parent Company has increased its stake in the existing associate partnership firm namely “Metalman Micro Turners” from 50% to 98%. Due to this entity has become the subsidiary of the Holding Company w.e.f. March 29, 2023. This entity is engaged in the business of manufacturing of auto parts of 4 wheelers and 2 wheelers.

Assets acquired and liabilities assumed: The fair values of the identifiable assets and liabilities in acquired in the business combination on the date of acquisition were as follows:

Particulars	Amount (in Rs. million)
Property, plant and equipment including, right of use assets and CWIP	2,418.69
Goodwill *	23.57
Inventories	183.68
Trade receivables including contract assets	732.64
Cash and bank balance	63.09
Others financial assets	38.27
Others current assets	203.08
Borrowings	(483.11)
Trade payable	(701.47)
Other current liabilities	(161.32)
Other financial liabilities	(20.92)
Current tax liabilities	(186.71)
Deferred tax liabilities	(79.89)
Deferred tax liabilities on fair valuation impact	(276.53)
Identifiable net assets acquired at fair value	**1,753.07**
Share acquired	841.47
Fair value of consideration paid	997.80
Goodwill / (Capital reserve)	**156.33**
Non-controlling interest on account of above business combination	**35.06**

Particulars	Amount (in Rs. million)
Goodwill purchased by the partnership firm in the FY 2018-19	23.57
Goodwill recognised on account of above transactions	156.33
Total	**179.90**

*The above Goodwill is checked for impairment testing on an annual basis.

The re-measurement to fair value of existing equity interest in acquiree in business combination are as follows-

Particulars	Amount (in Rs. million)
Investment value of existing interest	484.12
Company share of Identifiable net assets acquired at fair value	876.53
Re-measurement (gain)/loss	**(392.41)**

As per Ind AS 103, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. Accrodingly, the Company has recognised Rs. 392.41 million in other income in Statement of Profit and Loss.

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(Amount in Rupees million, unless otherwise stated)

49. The Holding Company has in-house Research and Development centre involved in development activities for new products, improvement in existing products and processes. Detail of revenue and capital expenditure incurred is as detailed below:-

Particulars	Year ended March 31, 2024			Year ended March 31, 2023			Year ended March 31, 2022		
	Eligible	Not eligible	Total	Eligible	Not eligible	Total	Eligible	Not Eligible	Total
A) Revenue expenses :									
Salaries and wages	21.45	-	21.45	19.44	-	19.44	19.16	-	19.16
Raw material consumption	8.97	-	8.97	-	-	-	5.96	-	5.96
Power and fuel and water	0.46	-	0.46	2.11	-	2.11	1.45	-	1.45
Travelling and conveyance	0.11	-	0.11	0.09	-	0.09	0.17	-	0.17
Miscellaneous expenses	-	-	-	0.06	-	0.06	0.06	-	0.06
Other	0.43	-	0.43	5.68	-	5.68	3.61	1.17	4.78
Total	**31.42**	**-**	**31.42**	**27.38**	**-**	**27.38**	**30.41**	**1.17**	**31.58**
B) Capital expenses :									
Addition to property, plant and equipment	-	-	-	-	-	-	34.46	-	34.46
Grand total	**31.42**	**-**	**31.42**	**27.38**	**-**	**27.38**	**64.87**	**1.17**	**66.04**

The revenue expenses related to Research and Development is clubbed under respective heads in statement of profit and loss.

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50. Other statutory information:

(i) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder**.**

(ii) None of the Group entity has not been declared a wilful defaulter by any bank or financial Institution or other lender.

(iii) Utilisation of Borrowed funds and share premium:
The Group has not advanced or loaned or invested funds to any other person or entity, 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 group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Group has not traded or invested in crypto currency or virtual currency during the financial period.

(v) No significant subsequent events other than as disclosed in note 20 -"Equity share capital", have been observed which may require an adjustments to the restated consolidated financial information.

(vi) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The Group has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.

51. The Holding Company has not complied with various regulations, circulars and notifications issued under the Foreign Exchange Management Act, 1999 (Collectively referred to as 'FEMA Regulations' against trade receivables from customers). The Holding Company has foreign currency receivables from customers aggregating to Rs. 179.10 million out of which Rs. 12.84 million is outstanding for more than respective stipulated time as per FEMA Regulations. The aforementioned outstanding includes Rs. 2.19 million outstanding for more than 3 years. The Holding Company is in the process of regulating the requisite compliance under FEMA Regulations and does not expect any material financial loss while complying with the FEMA regulations.

52. The Ind AS consolidated financial statements of the Group for the corresponding year ended 31 March 2023 and Ind AS transition date 1 April 2022 are audited by the erstwhile auditor of the Company i.e. K. C. Khanna & Co. who expresses unmodified opinioins on these statements on July 11, 2024.

53. Previous years' figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Vinod Gupta
Partner
Membership No.: 503690

Place: Gurugram
Date: 9 August, 2024

For and on behalf of the Board of Directors of
Metalman Auto Limited

Navneet Jairath
Managing Director
DIN: 01620652

Bikramjit Bembi
Chairman
DIN: 01677152

Ajay Kumar Dubey
Chief Financial Officer

Tarun Kumar
Company Secretary
M NO:F9256

Place: Delhi
Date: 9 August, 2024

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company, for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, and Metalman Micro Turners for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, together with all the annexures, schedules and notes thereto (collectively, the "**Audited Standalone Financial Statements**") are available at www.metalmanauto.com/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 and the reports thereon 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, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company and Metalman Micro Turners or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. Neither the Company and Metalman Micro Turners or any of its advisors, nor any of the 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.

The details of accounting ratios derived from our Restated Consolidated Financial Information required to be disclosed under Paragraph 11 of Part A of Schedule V of the SEBI ICDR Regulations are set forth below:

Particulars	For Financial Year 2024	For Financial Year 2023	For Financial Year 2022
Basic earnings per Equity Share (in ₹)	6.10	7.74	4.29
Diluted earnings per share (in ₹)	6.10	7.74	4.29
Profit after Tax for the period (in ₹ million)	500.04	631.11	349.64
Return on Net Worth (%)	16.11%	25.06%	17.39%
Net Asset Value per Equity Share (in ₹)	41.12	34.98	26.78
EBITDA (in ₹ million)	1,317.20	1,178.42	874.70

Notes:

i) *Basic EPS = Net Profit after tax attributable to the owners of the Company for the year, as restated, divided by weighted average number of equity shares outstanding during the year.*

ii) *Diluted EPS = Net Profit after tax attributable to the owners of the Company for the year, as restated, divided by weighted average number of equity shares and potential equity shares outstanding during the year.*

iii) *Subsequent to the end of the Financial Year ended March 31, 2024, pursuant to resolutions passed by our Board on April 19, 2024 and by our Shareholders on April 24, 2024, the issued, subscribed and paid-up capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹10 each to 13,595,870 equity shares of face value of ₹ 2 each. Further, pursuant to resolutions passed by our Board on April 19, 2024and by our Shareholders on April 24, 2024, the issuance of 67,979,350 equity shares of face value ₹2 each by way of a bonus issue in the ratio of 5 equity shares of face value ₹2 each for every one equity share of face value ₹2 each held, was approved, which were allotted on May 14, 2024.*

iv) *Subsequent to the end of the Financial Year ended March 31, 2024, pursuant to resolutions passed by our Board on April 19, 2024 and by our Shareholders on April 24, 2024, the issued, subscribed and paid-up capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹10 each to 13,595,870 equity shares of face value of ₹ 2 each. Further, pursuant to resolutions passed by our Board on April 19, 2024and by our Shareholders on April 24, 2024, the issuance of 67,979,350 equity shares of face value ₹2 each by way of a bonus issue in the ratio of 5 equity shares of face value ₹2 each for every one equity share of face value ₹2 each held, was approved, which were allotted on May 14, 2024.*

v) *Return on net worth (%) is calculated as restated profit for the year divided by the average Net Worth for the respective year.*

vi) *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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital, general reserve, share premium, surplus in the statement of profit and loss and non-controlling interest.*

vii) *Average net worth is sum of opening and closing net worth divided by two.*

viii) *Net asset value per share (in ₹) is calculated as net worth as of the end of the relevant year divided by the number of equity share outstanding at the end of the respective year after taking effect of bonus shares and split of equity shares.*

ix) *Earnings before interest, taxes, depreciation and amortisation, or EBITDA, is a non-GAAP measure which represents profit for the year, before tax expenses, finance costs and depreciation and amortisation expenses.*

Non-Generally Accepted Accounting Principles Financial Measures

Certain measures included in this Draft Red Herring Prospectus, for instance Net asset value per Equity Share, EBITDA, EBITDA Margin, PAT Margin, RoCE and RoE among others ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance 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 U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and 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 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. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial 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. See "“***Risk Factors – This Draft Red Herring Prospectus contains certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***" on pages 65.

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Measures included in this Draft Red Herring Prospectus are given below:

Reconciliation of Adjusted Gross Margin to total income

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Total Revenue from Operations (A)	15,075.97	10,503.91	10,307.58
Minus: Cost of materials consumed (B)	10,868.19	7,860.49	7,938.23
Minus: Change in finished goods and work-in-progress not traded (C)	(29.43)	(38.35)	(72.49)
Adjusted Gross Margin (D) (D=A-B-C)	**4,237.21**	**2,681.77**	**2,441.84**
Adjusted Gross Margin% (E) (E=D/A)	**28.11%**	**25.53%**	**23.69%**

Reconciliation of EBITDA to our profit

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Profit for the year (A)	500.04	631.11	349.64
Add: Tax expense (B)	41.31	111.48	88.92
Add: Finance costs (C)	276.81	140.36	145.07
Add: Depreciation and amortization expense (D)	499.04	295.47	291.07
EBITDA (E) (E=A+B+C+D)	**1,317.20**	**1,178.42**	**874.70**
Total revenue from the operation (F)	15,075.97	10,503.91	10,307.58
EBITDA Margin %(G) (G=E/F)	**8.65%**	**11.22%**	**8.49%**

Reconciliation of Net Worth and Return on Net Worth

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Equity share capital (A)	27.19	27.19	27.19
Other equity (B)	3,290.53	2,791.46	2,157.37
Non-Controlling Interest	36.78	34.55	-
Total Equity at the end of the year (C) (C=A+B)	**3,354.50**	**2,853.20**	**2,184.56**
Total Equity at the beginning of the year (D)	**2,853.20**	**2,184.56**	**1837.31**
Average Equity (E) (E=(D+C)/2)	3,103.85	2,518.88	2,010.94
Profit after Tax for the period (E)	500.04	631.11	349.64
Return on Net Worth % (G) (G=F/E)	**16.11%**	**25.06%**	**17.39%**

Reconciliation of Net Asset Value per Equity Share

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Net Worth (A)	**3,354.50**	**2,853.20**	**2,184.56**
Weighted average equity shares considered for calculation of basic earning per share (B)	8,15,75,220	8,15,75,220	8,15,75,220
Net Asset Value per Equity Share (C) (C=A/B)	**41.12**	**34.98**	**26.78**

Related Party Transactions

For details of the related party transactions as per Ind AS 24 read with the SEBI ICDR Regulations for the Financial Years 2024, 2023 and 2022, see "***Restated Consolidated Financial Information – Note 38 – Related Party Disclosures***" on page 377.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 should be read in conjunction with our Restated Consolidated Financial Information beginning on page 321. Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and Metalman Micro Turners on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to Metalman Auto Limited on a standalone basis. Metalman Micro Turners, a partnership firm, in which our Company is a partner, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information.

*This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "**Forward Looking Statements**" and "**Risk Factors**" beginning on pages 17 and 32, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 321. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "**Risk Factors - Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.**" on page 64.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of market potential for metal and associated components in automotive market" ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated May 21, 2024 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer Further, CRISIL, through their consent letter dated August 10, 2024 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, through their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. For further information, see "**Risk Factors – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on page 65. Also see "**Certain Conventions, Presentation of Financial, Industry and Market data – Industry and Market Data**" on page 15. The CRISIL Report is available on the website of our Company at www.metalmanauto.com/investors/ until the Bid/Offer Closing Date and has been included as a material document for inspection as disclosed in "**Material Contracts and Documents for Inspection – Material Documents**" on page 502. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are a one stop shop for sheet metal, tubular fabrication, metal finishing and assembly of components for original equipment manufacturers ("**OEMs**") in the automotive and non-automotive sectors. Incorporated in 1986, we are one of the first metal fabrication, metal finishing and assembly companies in India along with the manufacturing processes. (*Source: CRISIL Report*) We are primarily focused on manufacturing metal components for: (i) two-wheeler ("**2Ws**") (including electric vehicles ("**EVs**") and internal combustion engine ("**ICE**")), (ii) three wheelers ("**3Ws**"), (iii) passenger vehicles ("**PVs**"), (iv) commercial vehicles ("**CVs**"), (v) agri-vehicles

("**AVs**") and (vi) off-highway vehicles ("**OHVs**"). We also undertake fabrication and manufacturing of aesthetic-focused components for white body goods (such as front and rear panels and rear covers of washing machines) and contract manufacturing for 2W EV OEMs.

The following table sets forth our revenue from operations across offerings for the Financial Years indicated, including as a percentage of our revenue from operations:

Categories	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
2W – ICE	7,842.46	52.02%	4,980.09	47.41%	5,993.54	58.15%
2W – EV	694.90	4.61%	865.20	8.24%	82.47	0.80%
3W	937.17	6.22%	726.28	6.92%	706.88	6.86%
PV	562.82	3.73%	336.44	3.20%	246.73	2.39%
CV	221.72	1.47%	0.35	Negligible	Nil	Nil
AV	40.13	0.27%	32.64	0.31%	48.57	0.47%
OHV	1,623.91	10.77%	1,410.99	13.43%	1,157.41	11.23%
Others*	3,152.86	20.91%	2,151.92	20.49%	2,072.00	20.10%
Total	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.60**	**100.00%**

* *Others comprises revenue from consumer durables, trading and tool and die, sale of services, export incentive, scrap sales and solar power*

Our portfolio of offerings of automotive and non-automotive components caters to a diversified customer base across 2W, 3W, PV, CV, AV and OHV categories. Further, we have also recently extended our offerings to EVs in the 2W category in Financial Year 2020. A significant portion of our offerings in automotive sector for 2W category are powertrain agnostic catering to EV as well as ICE OEMs and encompass a range of automotive components designed to meet diverse customer needs across powertrain options. Our ability to cater to both EV and ICE offerings by automotive OEMs insulate us to an extent against transition in industry trends towards any particular sector, and positions us to leverage growth in the CV category. Further, the OHV category is expected to grow at 10% to 12% by Financial Year 2029. (*Source: CRISIL Report*) We entered the OHV category in Financial Year 2007 and have continued to have a presence in this growing category, which we intend to leverage as part of our strategies for business growth. See "***- Our Strategies - Capitalising on growth in the off-highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix***" on page 263.

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in Financial Year 2024. Two-wheeler sales constituted 73% of the total auto market comprising 2Ws, 3Ws, PV, CV and AVs by volume in Financial Year 2024. CRISIL MI&A expects the automotive component market size to grow at 9-11% CAGR between Financial Year 2024 and 2029 to reach ₹ 8,500-9,000 billion. In the last 15 years, domestic 2W industry has grown at a CAGR of 6.2% and reached a volume of ₹18.4 million in Fiscal 2024. 2W industry sales are projected to grow at a CAGR of 6 to 8% and reach volumes of 25 to 27 million by Financial Year 2029. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR.The OHV sector grew 24% in volume terms in Financial Year2024. The OHV industry is expected to grow at 10 to 12% over the next 5 years with overall sales volumes expected to reach approximately 170-180k by Financial Year 2029. CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3 to 5% between Financial Years 2024 and 2029. Further, domestic tractor sales are projected to expand at 4 to 6% CAGR during Financial Years 2024 to 2029. The domestic passenger vehicle industry grew at a 5% CAGR during Financial Years 2019 to 2024 period. CRISIL MI&A expects the passenger vehicle industry to clock 4.5 to 6.5% CAGR between Financial Year 2024 to Financial Year 2029 period to reach 5.2-5.7 million domestic vehicle sales. (*Source: CRISIL Report*)

The following table sets forth our offerings across categories and the key customers we cater to:

Categories	Description	Key Products	Customers
2W	EV - Scooters	Frame and sub-frame, handle bars, swing arm, saree guard, foot step, battery tray, main stand, side stand and crash protectors.	– Hero MotoCorp Limited ("**Hero MotoCorp**") – TVS Motor Company Limited ("**TVS**") – Ather Energy Limited ("**Ather**") – Gogoro India Private Limited ("**Gogoro**")
	ICE – Motorcycles and Scooters	Frame, handle bars, chain case, swing arm, saree guard, mufflers,	– Bajaj Auto Limited ("**Bajaj**")

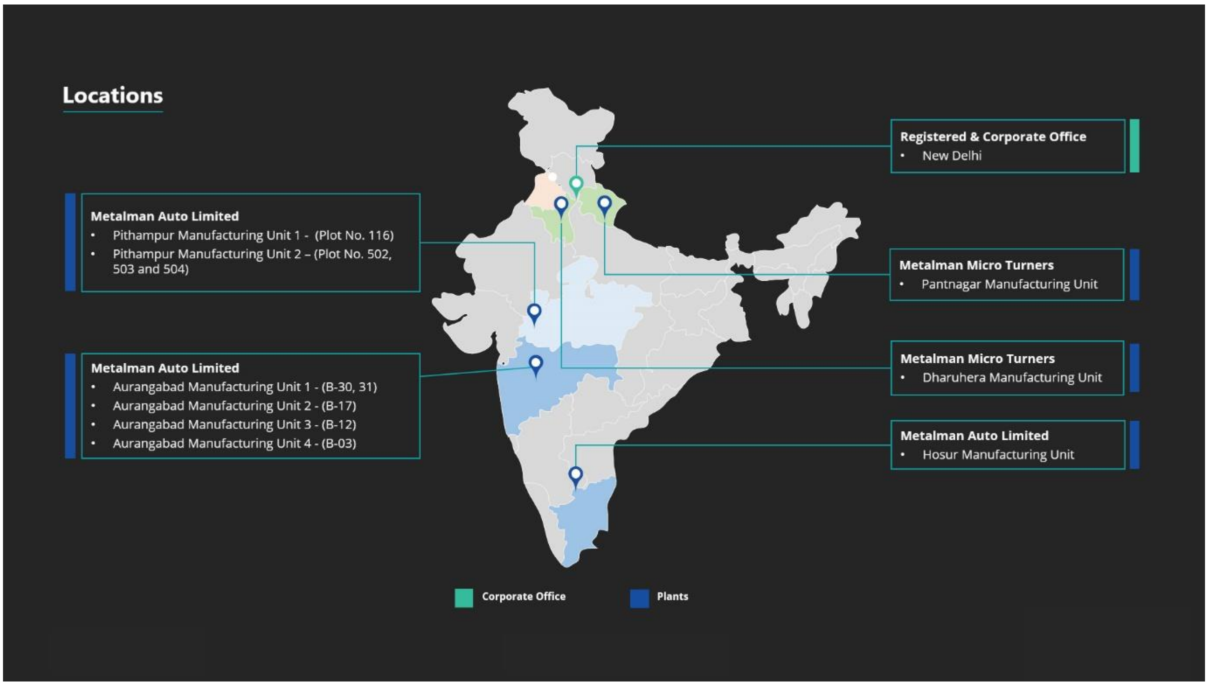
Categories	Description	Key Products	Customers
		foot step, engine cradle, wheel rims, main stand, side stand and crash protectors.	– Hero MotoCorp – TVS – Honda Motorcycle & Scooter India Private Limited ("**Honda**")
3W	Passenger three wheeler carriers and three wheeler goods carriers	Windshields, driver cabins, mud guards, cabin doors, and floor boards	– Bajaj
PV	Passenger four wheelers	Seat frames and torsion links	– SC Sumiriko Avs Romania SRL ("**SumiRiko**")
CV	Trucks	Deep drawn parts (such as oil pans and hub caps) and bracketry components (such as air cleaner mounting brackets and fuel tank brackets)	-
AV	Tractors	Tubular door handles, half-cabins, full cabins, and roll-over protection systems assembly	– International Tractors Limited – Mahindra and Mahindra
OHV	Mining equipment, all-terrain vehicles ("**ATVs**"), construction and earth-moving equipment, material handling equipment	Driver cabins, booms, buckets (including dipstick buckets), loader arms, track frames, hoods, canopies, tensioners, and bracketry components	– Case New Holland Construction Equipment (India) Private Limited ("**CNH**") – LiuGong India Private Limited – Epiroc Mining India Limited – JCB India Limited – Michelin – Normet India Private Limited – Terex India Private Limited
Others	White body goods	Front and rear panels and rear covers for washing machines	-

In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contributed to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM in India, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM in India, Bajaj, in Financial Year 2024. In Financial year 2024, one out of every four high speed EV scooters sold in the India, one out of every five 2W motorcycles exported from the country and one out of every 10 2W sold in the India was fitted with frames/chassis manufactured by us thereby, establishing our position as a supplier in the 2W segment. (*Source: CRISIL Report*)

In addition to our customers in India, our Company also caters to customers overseas in USA, Canada, Brazil, Chile, Germany, Italy, Sri Lanka, Thailand, Finland, Romania, France and Taiwan, in the 2W, PV and OHV categories through export of components such as main stand, side stand, handle bars, foot brake levers for 2Ws and connecting link rods for PVs and tensioner assemblies and agri-pads for OHVs. As on the date of this Draft Red Herring Prospectus, we have entered into three third party warehousing arrangements on a vendor managed inventory ("**VMI**") basis to service our customers in Romania, Germany and USA. The following table sets forth our revenue from operations in India and overseas, including as a percentage of our revenue from operations:

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
India	14,441.99	95.79%	9,850.40	93.78%	9,895.85	96.01%
Outside India	633.98	4.21%	653.51	6.22%	411.73	3.99%
Revenue from Operations	**15,075.97**	**100.00%**	**10,503.91**	**100.00%**	**10,307.58**	**100.00%**

We are an engineering process focused Company with nine manufacturing units (seven operated by us and two operated through Metalman Micro Turners) across five states in India, which are strategically located in close proximity to our OEM customers. Further, we also intend to expand our manufacturing capabilities by increasing our manufacturing capacity at Pithampur Manufacturing Unit 2 by purchase of plant and machinery. See "***Objects of the Offer – Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2***" on page 109.



Our manufacturing process is significantly automated through use of 493 welding robots as of June 30, 2024, and the Company is currently transitioning towards intelligent automated welding lines with artificial intelligence ("**AI**")/machine learning ("**ML**") capabilities, which enable us to undertake robotic inspection of products and enhance detection and prevention of defects in our production lines. Automation in our manufacturing process is further complemented by the use of supervisory control and data acquisition ("**SCADA**") and utilize in-house developed special programmes BI modules, which enable monitoring usage of resources and control of product quality on a real-time basis. We believe that through automation, we seek to streamline workflows, reduce lead times, and maintain quality standards across the product life-cycle for our portfolio of offerings, thereby ensuring a lean manufacturing process, in order to improve our cost and time efficiency. Further, our Company has established a dedicated department, the engineering centre of excellence in New Delhi, wherein we collaborate with our customers for new products from the ideation stage itself, with the aim of streamlining and enhancing the efficiency of production lines for such products, with the ultimate objective of managing costs. This enables us to benchmark existing products of our customers, and co-create new and existing components, including by reverse engineering products using simulation software and our in-house design capabilities.

Founded by Navneet Jairath, our Managing Director and Bikramjit Bembi, our Chairman and Whole-Time Director, in 1986, our Company began its journey with offering fabrication and plating of components for the 2W sector out of our Pithampur Manufacturing Unit 1 in 1988. Further, in 2007 we entered in the OHV category, the CV category in 2012, and in 2020 entered the 2W EV segment and established our newest manufacturing facility, Aurangabad Manufacturing Unit 4 and increased our stake in Metalman Micro Turners in Financial Year 2023. A graphical representation of our evolution and journey is set forth below:

2024

- Entered into logistics service agreement with Transsellar GmbH to service our customers in Germany.
- Increased our stake in Metalman Micro Turners

2023

- Established our manufacturing facility, Aurangabad Manufacturing Unit 4 situated at Plot No. B-03, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.

2020

- Entered into logistics service agreement with S.C. Cargo-Partner Expeditii SRL to service our customers in Romania
- Entered into the 2W Electric Vehicle (EV) Category

2019

- Commenced manufacturing activities at our manufacturing facility, Pithampur Manufacturing Unit 2 situated at Plot No. 502, 503 and 504 Industrial Growth Centre Pithampur, Sector-3, District-Dhar, District Dhar 431 136, Madhya Pradesh, India.

2018

- Commenced manufacturing activities at our manufacturing facility, Hosur Manufacturing Unit situated at Survey Nos. 477, 478, 476, 473, and 475/1, in Mathi Giri Village of Hosur Taluk, Kela Mangalam, District Krishna Giri, Tamil Nadu, India.

2014

- Entered into the Agricultural Vehicle (AV) category

2013

- Commenced manufacturing activities at our manufacturing facility, Aurangabad Manufacturing Unit 3 situated at Plot No. B-12 (Part-1), Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India. category

2011

- Commenced manufacturing at our manufacturing facility, Aurangabad Manufacturing Unit 2 situated at Plot No. B-17, Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.
- Entered into the Three Wheeler (3W) category
- Entered into the Commercial Vehicle (CV) category

2009

- Entered into the Passenger Vehicle (PV) category

2007

- Entered into the OHV category

1998

- Commenced manufacturing facilities at our manufacturing facility, Aurangabad Manufacturing Unit 1 situated at B-30, 31 Waluj Industrial Area, MIDC, Aurangabad 431 136, Maharashtra, India.

1988

- Commenced manufacturing activities at our manufacturing facility, Pithampur Manufacturing Unit 1 situated at Plot No. 116, Industrial Growth Centre Pithampur, Sector-3, District Dhar 431 136, Madhya Pradesh, India.
- Entered into the 2W category with offering fabrication and plating of components.

We have integrated technology into our engineering process and developed certain processes for which we have patent registrations on which we have relied on to achieve experience and know-how in various metal fabrication and finishing processes such as robotic welding, computer numerical control ("**CNC**") tube bending, SPM welding, press shop, surface finishing, machine shop, tool room, laser and gas cutting, press brake, and tube notching.

We attribute our evolution and growth in revenue and profitability in part to our technology-led engineering processes, continuing innovation and our established relationships with our customers, and the guidance of our founders Navneet Jairath and Bikramjit Bembi and Whole-Time Directors, Nishant Jairath and Sachin Bembi, supported by a professional and experienced leadership team. See "***Our Management***" beginning on page 298. Set forth below are certain key financial metrics relevant to our business:

Particulars	**As at and or for the Financial Year ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations (₹ in million)[(1)]	15,075.97	10,503.91	10,307.58
Revenue growth (%)[(2)]	43.53	1.90	51.16
EBITDA (₹ in million)[(3)]	1,317.20	1,178.42	874.70
EBITDA Margin (%)[(4)]	8.65	10.78	8.44
Profit after tax for the year ("PAT") (₹ in millions) [(5)]	500.04	631.11	349.64
PAT Margin (%)[(6)]	3.28	5.78	3.37
Net debt to EBITDA ration (in times) [(7)]	2.34	2.48	2.11
Return on equity (ROE) (%)[(8)]	16.34	25.33	17.27
Return on capital employed (RoCE)(%) [(9)]	15.55	18.43	16.02
Cash conversion cycle (in days) [(10)]	35	41	34
Fixed assets turnover ratio (in times) [(11)]	3.34	2.37	3.92

Notes:

(1) *Revenue from Operations means the revenue from operations for the year.*

(2) *Growth in revenue from operations (%) is calculated as a percentage of Revenue from Operations of the relevant year minus Revenue from Operations of the preceding year, divided by Revenue from Operations of the preceding year.*

(3) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortisation and exceptional items.*

(4) *EBITDA Margin (%) is the percentage of EBITDA divided by Total Income.*

(5) *Profit after tax for the year ("PAT") as appearing in the Restated Consolidated Financial Information.*

(6) *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*

(7) *Net Debt to EBITDA ratio is calculated as Net Debt divided by EBITDA. Total Debt is computed as Non-Current Borrowings plus Current Borrowings. Total Debt minus cash and cash equivalents, bank balances other than cash and cash equivalents (including bank balances in margin money).*

(8) *RoE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Total Equity is calculated as equity share capital plus other equity.*

(9) *RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Capital Employed is computed as Total Equity (equity share capital plus other equity plus non-controlling interest) plus total non-current liabilities except non-current lease liabilities and deferred tax liability.*

(10) *Cash conversion cycle is calculated as inventory days plus trade receivable days minus Trade payable days. Inventory days are calculated as Inventory divided by Revenue from Operations multiplied by 365 days. Trade receivable days are calculated as Trade receivables divided by Revenue from operations multiplied by 365 days. Trade payable days are calculated as Trade payable divided by Revenue from operations multiplied by 365 days.*

(11) *Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by property, plant and equipment.*

We have received awards for quality, digitisation, performance, delivery and financial management from our customers. See "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 294.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Industry tailwinds and growth in the off-highway vehicles and commercial vehicles sectors

India is the largest motorised two-wheeler market in the world, with domestic sales of 18.4 million units in Financial Year 2024. Two-wheeler sales constituted 73% of the total auto market comprising 2Ws, 3Ws, PV, CV and AVs by volume in Financial Year 2024. The 2W industry sales are projected to grow at a CAGR of 6 to 8% and reach volumes of 25 to 27 million by Financial Year 2029. 2W ICEs, are projected to grow at a slower pace of 6-7% CAGR over the long-term horizon till Financial Year 2029. Industry growth will be driven by the EV sector which is projected to clock a healthy CAGR of 40 to 45% over the long term. India is the 3W market in the world, with domestic sales of 0.75 million units in Financial Year 2024. Between Financial Years 2024 and 2029, domestic 3Ws are projected to record a CAGR of 5 to 6%, led by the passenger segment which is projected to record a CAGR of 4 to 6% CAGR and the goods segment which is projected to record a CAGR of. 5 to 7%. The

PV category contributed around 17% to the Indian auto industry while CVs contributed about 4% and 3W and AVs contributed 3% each. Further, India is the largest 3W market in the world, with domestic sales of 0.75 million units in Financial Year 2024. Further in the OHV category, the United States and Europe market was valued at USD 92.51 billion in Financial Year 2023 and is projected to grow to USD 132.55 billion by Financial Year 2029, registering a CAGR of 7.08% in terms of revenue during this period. Indian OHVs have a large presence of global OHV OEMs alongside domestic players, which has led to implementing of the 'State-of-the-Art' manufacturing technologies, which are at par with the world. (*Source: CRISIL Report*)

In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM in Financial Year 2024.

Indian OHVs have a large presence of global OHV OEMs alongside domestic players, which has led to implementing of the 'State-of-the-Art' manufacturing technologies, which are at par with the world. (*Source: CRISIL Report*). The OHV category grew 24% in volume terms in Financial Year 2024 driven by growth in the end user industries like roads, railways, and urban infrastructure. Volume growth normalisation of 8% to 10% is projected for Financial Year 2025 but the industry is expected to maintain high levels of volume sales with growing end user industry segments like roads, railways, and urban infrastructure. With more than 60% share, backhoe loaders and excavators dominate the OHV industry. Similarly, over the long-term horizon, domestic CV sales are projected to record a 3-5% CAGR between Financial Years 2024 and 2029, led by a 5-7% CAGR in the LCV segment, 2-4% CAGR in the M&HCV segment and 1-3% CAGR in the bus segment. The Indian CV industry is expected to remain domestic-focused, with domestic sales comprising ~93% share of production even in Financial Year 2029. However, with exports projected to grow at 5-7% CAGR between the Financial Year periods 2024 to 2029, their contribution to overall production is likely to remain flat. CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3-5% between Financial Years 2024 and 2029 aided by healthy industrial growth, focus on infrastructure and higher mining production. (*Source: CRISIL Report*)

We have developed long standing relationships with certain OHV customers, such as CNH and SumiRiko. We intend on leveraging our relationships with such customers, as well as our 2W, 3W, CV and PV customers and capitalise on growth in the OHV and CV categories, by increasing our focus on further diversifying our product portfolio while also providing more complex process driven components to our customers. See "***Our Business – Our Strategies - Capitalising on growth in the off-highway vehicles and commercial vehicles categories including by way of proposed expansion and diversifying portfolio mix***" on page 263. We further aim to utilize an amount of ₹ 287.35 million from the Net Proceeds towards financing proposed capital expenditure towards procurement and installation of plant and machinery to set up additional automated manufacturing processes and thereby enhance our production capacity for products catering to the OHV and CV sectors, as detailed in "***Objects of the Offer - Details of the Objects of the Fresh Issue – Part-financing the capital expenditure towards procurement of plant and machinery at Pithampur Manufacturing Unit 2***" on page 109. However, our potential profitability and growth is dependent upon the growth of the OHV and PV categories in India which may not occur at the levels we currently anticipate or at all. There is no guarantee of continuing future demand. If the market for OHVs and CVs develops slowly than expected, or if demand for these decreases, there can be no assurance that our past performance will continue at a comparable scale in the future and our business, prospects, financial condition and operating results would be harmed. See ***"Risk Factors – We may not be successful in implementing our growth strategies, particularly increasing our market share in the evolving off-highway vehicle ("OHV") and commercial vehicles ("CV") sectors, which could have an adverse effect on our business, financial condition, cash flows and results of operations"*** on page 34.

Our customers, terms of our arrangements, their purchasing patterns and pricing of our products

Our financial performance has largely been driven by, and a key factor to our future success will be, our ability to continue to deliver value for our customers, increase our customer base, and deepen our relationships with our existing customers. Our experience in metal fabrication, metal finishing and assembly operations and technologically and innovation led engineering processes has led to established relationships with several customers. Globally, our customers include players such as BMW, CNH and SumiRiko. In Financial Year 2024, Hero, Bajaj, Honda and TVS were the top four 2W OEMs in India and contribute to over 80% of the annual sales. Further, Bajaj is also the largest 3W OEM, in terms of production volume as of Financial Year 2024. (*Source: CRISIL Report*) We have been established customer relationships and supply to 2W OEMs in India such as Bajaj, Hero MotoCorp, Honda and TVS and supplied our products to each of the top 4 2W OEMs and to the largest 3W OEM, Bajaj, in Financial Year 2024. Our ability to manage and sustain customer relationships is critical to our business. Historically, our revenue from operations from our top ten customers has been significant. Our revenue from operations from our top 10 customers is set forth below.

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Bajaj	4,455.54	29.55	2,287.56	21.78	3,046.94	29.56
TVS	2,484.86	16.48	3,447.23	32.82	3,125.18	30.32
Hero Moto Corp	1,421.35	9.43	54.96	0.52	0.91	0.01
CNH (India)	1,101.58	7.31	1,199.89	11.42	1,001.19	9.71
Honda	362.83	2.41	11.31	0.11	0.01	Negligible
Sumiriko	335.69	2.23	300.94	2.87	217.37	2.11
Luminaz	300.34	1.99	248.17	2.36	61.01	0.59
Customer 8	221.72	1.47	0.35	Negligible	Nil	Nil
Customer 9	212.10	1.41	0.82	0.01	Nil	Nil
Ather	174.58	1.16	218.12	2.08	50.47	0.49
Total revenue from top 10 customers	**11,070.60**	**73.43**	**7,769.35**	**73.97**	**7,503.10**	**72.79**

We have long-standing relationships with all of our top 10 OEM ranging, with our largest customer having been associated with us for nearly 30 years, six of our top 10 customers having been associated with us for over 10 years and two of our top 10 customers having been associated with us over 5 years. Going forward, we expect the significance of our top 10 customers to remain high. A change in our relationship with any of our significant customers will impact our business leading to a reduction in our sales. Furthermore, the loss of any of our top three customers, including as a result of any dispute with or disqualification by them, will have an adverse effect on our business and results of operations.

The demand of our top customers' products significantly influences our revenue from operations as our sales are directly impacted by the production and inventory levels of our customers' products. Increased sales of our customers' products tend to increase our revenue from operations, while a slow-down in the demand for our customers' products tends to lead to a lower revenue from operations. Furthermore, there is no assurance that our customers will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. We typically do not enter into continuing agreements with our customers and we rely on open purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit and other terms of sales for our products but do not set out firm commitments for fixed quantities of products. Due to committed delivery schedules at a pre-agreed price as set out in the purchase orders, in the event of an unanticipated change or cancellation in orders from our customers we may incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses. Any changes in the levels of inventory and activity by our customers, in turn, are likely to affect our revenues and results of operations. See "***Risk Factors – We are dependent on our top 10 customers who contributed more than 70% to our revenue from operations, in each of the last three Financial Years. Our single largest customer contributed more than 29% of our revenue from operations in two of the last three Financial Years. Loss of any of these customers or a reduction in demand from any of them could adversely affect our business, results of operations and financial condition.***" on page 33.

We may also absorb discounts and price reductions sought by our customers from time to time in order to remain competitive. The table below sets forth the amount of discounts, rebates, credits offered by us for the Financial Years stated:

Description	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Discount, rebates, credits, etc.	12.45	0.08%	8.13	0.08%	0.02	0.00%

While we have remained profitable in the last three Financial Years despite offering discounts and absorbing costs to the extent not passed on to our customers, if we are unable to generate sufficient revenue to offset such high production costs and discounts offered in the future, our profitability, margins and return ratios may be materially adversely affected.

Availability and cost of our raw materials

Our cost of material consumed which primarily consists of steel, as well as bought out parts, packaging material, Nickel, Argon, CO2 gas, wires and chemicals, such as, paint constitutes a significant portion of our total expenses. The table below sets forth details on our cost of material consumed, including as a percentage of our total expense, during the Financial Years stated:

Particulars	**Financial Year ended March 31, 2024**			**Financial Year ended March 31, 2023**			**Financial Year ended March 31, 2022**		
	Amount (₹ million)	***% of total expenses***	***% of revenue from operations***	***Amount (₹ million)***	***% of total expenses***	***% of revenue from operations***	***Amount (₹ million)***	***% of total expenses***	***% of revenue from operations***
Cost of material consumed	10,868.19	74.01%	72.09%	7,860.49	76.98%	74.83%	7,938.23	79.53%	77.01%

We do not have continuing agreements for the supply of our key raw materials, and procure our raw materials based on purchase orders, from third parties recommended by our customers, and generally do not have firm commitments from our suppliers for quantity or price under our arrangements with our suppliers. The absence of continuing contracts at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers or we may be required to pay prevailing market prices for such raw materials and inputs. While in case of price fluctuations, we endeavour to re-negotiate our purchase orders with our vendors for price amendment and scheduling, we may not always succeed in passing on the effects of such price fluctuations to our customers. Furthermore, with strict quality requirements specified in contractual arrangements with customers, the risk of being unable to make alternative arrangements is exacerbated. Further, some of the raw materials that we consume comprise, such as, Nickel, are subject to price fluctuations. While in case of price fluctuations, we endeavour to re-negotiate our purchase orders with our vendors for price amendment and scheduling, we may not always succeed in passing on the effects of such price fluctuations to our customers.

The prices for our raw materials can be volatile and depend on commodity prices in the international markets, which in turn depend on changes in global economic conditions, industry cycles, supply-and-demand including other market dynamics. In addition to market fluctuations, our raw material prices can be affected by contractual arrangements and hedging strategies. Furthermore, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, decreased demand for the components that we supply for their products. A failure to maintain a continuous supply of raw materials at stable prices may result in our inability to manufacture and supply products to our customers in accordance with the respective contract and on a timely basis which could have a material and adverse effect on our business, results of operations and financial condition. See "***Risk Factors – Our business and profitability are substantially dependent on the availability and cost of key raw materials including steel and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials or our inability to fully pass on costs of our raw materials to our customer, may adversely impact our business, results of operations and financial condition.***" and "***Risk Factors – We depend on third parties for the supply of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers. Loss of suppliers may have an adverse effect on our business, results of operations and financial condition.***" on pages 35 and 37.

Automation and technology-enabled manufacturing process

We attribute our growth in revenue and profitability in part to our technology led engineering processes. We have been able to integrate technology into our manufacturing process and have adopted Industry 4.0: technology enabled and robotics integrated, smart manufacturing processes. We leverage AI/ML and IoT towards enhancing precision, efficiency, and scalability in our production operations in order to meet the evolving demands of our customers. Through use of robots and automation, we aim to streamline workflows and production schedules, predict maintenance requirements, reduce lead times, and maintain consistency quality standards across our entire range of offerings. Further, our focus on automation, by enabling production of multiple products on the same production line, eliminates multiple operators, enabling minimal change-over time requirements, also contributes to our ability to respond to market demands and adapt to changing customer requirements by scaling our production capacity in a streamlined manner. We rely on in-house developed SCADA systems and BI modules for real-time monitoring of the manufacturing process and controlling of our manufacturing efficiency, and further rely on our IoT-driven data-collection features in our production processes to gain real-time insights into production flow and downtime, time and cost analysis of manufacturing, inefficiencies in usage of labour and resources, product quality, auto-generate reports and leverage such data analytics to implement auto-correction and auto-feedback measures, with minimal human intervention, thereby contributing towards our ability to maintain costs and consistency in quality. We are further able to share quality-related data insights we collect as part of our manufacturing process with our customers (including on a real-time basis) which we rely on to deepen our customer relationships and add value to our offerings. We rely on these automated systems for the ensuring the quality of production and efficiencies in our manufacturing process, and any significant or large-scale malfunction or interruption of one or more parts of our automated manufacturing processes could adversely affect our ability to keep our operations running efficiently and affect our production schedules.

Further, we are required to continually invest in automation and AI/ML technology in order to maintain and enhance our efficiency from a process as well as a cost perspective, in order to better service our customers' evolving needs. We propose to invest in our technological capabilities, including in particular our automation levels, including by acquiring and deploying specialized robots for automated welding of components with higher thickness at certain of our manufacturing facilities, and transitioning to completely automated welding of driver cabins. See "***Our Business – Our Strategies - Improve efficiency by investing in technology, including for alternative materials and upskilling***" on page 264. If our investments and initiatives towards enhancement of automation and AI/ML applications in our manufacturing process fail to deliver the intended results, our financial performance may be adversely affected.

Export, import and foreign exchange

Though the contribution of revenue from operations from exports is not as significant, there has been frequent fluctuation in the exchange rates between the Indian Rupee and the currencies in which we receive payments for such exports, primarily the USD, the Euro and GBP, which have impacted our results of operations in the past, and may also be impacted in the future if such fluctuations continue. For instance, the exchange rates for one USD against the Indian Rupee decreased by 1.38% from ₹ 82.17 as on March 31, 2023 to ₹ 83.37 as on March 31, 2024. Similarly, the exchange rates for one GBP against the Indian Rupee increased by 3.49% from ₹101.89 as on March 31, 2023 to ₹105.70 as on March 31, 2024. Any depreciation in the value of the Indian Rupee against foreign currencies will generally have a positive effect on our reported revenue from operations and operating income from exports, while any appreciation in the value of the Indian Rupee against foreign currencies will generally have a negative effect on our reported revenue from operations and operating income from exports. Our capital expenditure have been impacted by such fluctuations in the past, and will be impacted in the future if such fluctuations continue. Our foreign exchange gains in the last three Financial years were ₹ 11.34 million, ₹ 3.54 million and ₹ 16.03 million respectively. These gains were a result of the overall depreciation of the Indian Rupee between date of invoicing and realisation or restatement. We are also exposed to exchange rate fluctuations, owing to our import of a portion of our raw materials involved in manufacturing of our products and revenue earned in foreign currency on account of export sales. While we do not have formal hedging arrangements, we have a natural hedge on USD and Euro denominated raw material expenses and borrowings through our USD and Euro denominated export sales. To the extent we are unable to match costs incurred in foreign currencies with revenue received, or there are sharp exchange rate fluctuations between such currencies, we could have significant unhedged exposure on translation of receivables and trade payables. The table below sets forth the breakdown of our unhedged foreign currency exposure as of the dates indicated.

Particulars	March 31, 2024	March 31, 2023 *(in ₹ million)*	March 31, 2022
Unhedged exposure on translation of trade receivables (A)	178.97	92.99	83.49
Unhedged exposure on translation of trade payables (B)	6.91	8.02	7.23
Unhedged exposure on translation of borrowings (C)	68.22	67.75	33.66
Unhedged exposure on translation of payable for PPE (D)	3.74	2.80	3.79
Unhedged foreign currency exposure (net) (E=A-B-C-D)	100.10	14.42	38.81

Non-generally accepted accounting policies financial measures

Certain measures included in this Draft Red Herring Prospectus, for instance Net asset value per Equity Share, EBITDA, EBITDA Margin, PAT Margin, RoCE and RoE among others ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP

Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance 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 U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and 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 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. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial 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. See "***Risk Factors – This Draft Red Herring Prospectus contains certain non-GAAP financial measures related to our operations and financial performance. These non-GAAP measures may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***" on page 65. Further, for a reconciliation of the above Non-GAAP Measures used by us to the most directly comparable financial measure prepared in accordance with Ind AS, see "***Other Financial Information - Non-Generally Accepted Accounting Principles Financial Measures - Reconciliation of Non-GAAP Measures***" on page 402.

Significant Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with Ind AS. The notes to the financial statements contain a summary of our significant accounting policies. Set forth below is a summary of our most significant critical accounting policies under Ind AS. For further information, see "***Restated Consolidated Financial Information – Note 2. Significant Accounting Policies***" on page 333.

Basis of preparation

The Restated Financial Information relates to the Group and has been specifically prepared for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), the BSE Limited and the National Stock Exchange of India Limited, in connection with the proposed Initial Public Offer ('**IPO**') of equity shares of the Company. The Restated Financial Information comprising the restated consolidated statement of assets and liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated consolidated statement of changes in equity and notes forming part of the Restated Consolidated Financial information for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, and the material accounting policies adopted in preparation of Restated Financial Information (hereinafter collectively referred to as "Restated Financial Information).

The Restated Financial Information have been prepared by the Management of the Company to comply with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('ICDR Regulations'); and

c) The Guidance Note on Reporting Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

d) E-mail dated October 28, 2021, from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India stating that financial statements for all three years and stub period of issuer companies are required to be prepared in accordance with Indian Accounting Standards ("IND AS") ("SEBI Communication")

These Restated Financial Information have been compiled from:

I. Audited Consolidated Financial Statements of the Group as at and for the year ended 31 March 2024 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on July 11, 2024;

II. The Audited Special Purpose Consolidated Financial Statements of the Group and its subsidiary w.e.f. March 29, 2023 (an associate upto March 28, 2023) as at and for the year ended 31 March 2023 and 31 March 2022, have been prepared by the management of the Company in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Previous GAAP' or 'Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. April 1, 2022. These Audited Special Purpose Consolidated Financial Statements prepared in accordance with the Ind AS as described in this paragraph, have been approved by the Board of Directors on July 11, 2024. Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the years ended March 31, 2023 and 31 March 2022.

The consolidated financial statements of the Group as at and for the year ended March 31, 2024 is the first reporting period for first time adoption of Indian Accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and accordingly April 1, 2022 is the transition date for the preparation of the consolidated financial statements of the Group as at and for the year ended March 31, 2024. Up to the financial year ended March 31, 2023 the Company prepared the financial statements in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 as amended, specified under Section 133 of the Act read with the Companies (Accounts) Rules, 2015 ("Indian GAAP") due to which the special purpose IND AS financial statements were prepared by the Company.

In pursuance to SEBI ICDR Regulations and the Guidance note issued by ICAI, the aforesaid special purpose consolidated financial statements have been prepared solely for the purpose of preparation of these Restated Financial Information for inclusion in Offer Documents in relation to the proposed IPO. As such these special purpose consolidated financial statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Information. This Restated Consolidated Financial Information does not reflect the effects of events that that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited consolidated financial statements and audited special purpose consolidated financial statements as mentioned above.

The Restated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;

b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring the groupings as per the restated financial information of the Group for the year ended March 31, 2024 and the requirements of the SEBI ICDR Regulations, if any; and

c. The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as Rs. Million, unless indicated otherwise. All amounts disclosed in the Restated Financial Information and notes have been rounded off to the nearest "Million" with two decimals, unless otherwise stated.

These restated financial information have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

Principles of Consolidation

The Restated Consolidated Financial Statements comprise the Consolidated Financial Statements of the Company and the following subsidiary and associate:

Name of the Company	Relationship	Date of incorporation	Country of incorporation	Effective % of capital holding as at 31 March 2024	31 March 2023	31 March 2022
Metalman Micro Turners (a partnership firm)	Subsidiary (Associate upto March 28, 2023)	3 March 2010	India	98.00%	98.00%	50.00%

Subsidiaries

Subsidiary is an entity over which the group has a control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) Exposure, or rights, to variable returns from its involvement with the investee, and
(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee
(b) Rights arising from other contractual arrangements
(c) The Group voting rights and potential voting rights
(d) The size of the group holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31.

Associates

Associate is entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Consolidation Procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition by-acquisition basis, the Group recognises any noncontrolling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

(a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

(b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

(c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

(d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

(e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date. Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

(e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

(f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation, net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection/overhaul/repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss.

Property, plant and equipment are eliminated from restated consolidated financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Depreciation on property, plant and equipment are provided to the extent of depreciable amount on the straight line (SLM) Method. Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 as described below:

Class of asset	Useful life (in years)
Office Building	60
Factory Building	30
Plant and machinery	15
Electrical installations and equipment	10
Furniture and fittings	10
Vehicles	8
Office equipment	5
Computers	3

Leasehold land and leasehold improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The subsidiary/ associate entity upto March 31, 2023 had used written down value (WDV) method as per the estimated useful life of the property, plant and equipment for depreciation charge. In the current financial year 2023-24, the subsidiary entity has changed the depreciation method from WDV to straight line method (SLM) as per the estimated useful life of the Parent Company as mentioned above. The aforesaid change in depreciation method is recognised prospectively in accordance with IND AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The residual values, useful lives and methods of depreciation/amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of three years.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised immediately in profit or loss. 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Raw materials, stores and spares and packing materials:

At lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work in progress:

At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the basis of stage of completion.

Finished goods and by product:

At lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

Borrowing costs

Borrowings cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying /eligible assets, intended for commercial production are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred. Interest income earned on the temporary investment of surplus funds out of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation. Qualifying assets are assets that necessarily take a substantive period of time to get ready for their use or sale.

Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Such revenue is recognised upon the Group's performance of its contractual obligations and on satisfying all the following conditions:

(1) Parties to the contract have approved the contract and undertaken to perform their respective obligations;

(2) Such contract has specified the respective rights and obligations of the parties in connection with the transfer of goods or rendering of services (hereinafter the "Transfer");

(3) Such contract contains specific payment terms in relation to the Transfer;

(4) Such contract has a commercial nature, namely, it will change the risk, time distribution or amount of the Group's future cash flow;

(5) The Group is likely to recover the consideration it is entitled to for the Transfer to customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract with the customer. Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

Sales of goods:

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Revenue from services is recognised in the accounting period in which the services are rendered.

(ii) Dividend income is recognized when the right to receive payment is established.

(iii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Foreign currency transactions

The Restated Consolidated Financial Information are presented in INR, which is also the Group's functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction. At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and 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.

Taxes on income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group companies operate and generates taxable income.

Deferred tax

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternative Tax

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

Liability in respect of Defined benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the Statement of Profit & Loss in the period of plan amendment.

Short-term employee benefits

Liabilities recognised in respect of wages and salaries and other short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service and are expensed as the related services are provided.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits such as long term service awards and compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date based on the actuarial valuation using the projected unit credit method carried out at the year-end. Re measurement gain or losses are recognised in the statement of profit and loss in the period in which they arise.

Leases

Group as a Lessee:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and 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. 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 recognised as a finance cost.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques 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 statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Trade receivable that do not contain a significant financing component are measured at transaction price.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in other income in the profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the Statement of Profit and Loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the 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 Group has transferred substantially all the risks and rewards of the asset, or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated at FVTPL. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities

Classification

Financial liabilities - Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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 at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

(c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability 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, or

In the absence of a principal market, in the most advantageous market for the asset or liability

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 best economic 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the restated consolidated financial statements 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 balance sheet on a recurring basis, the Group 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 Group 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.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit and Loss to date in the absence of grant shall be recognized immediately.

Significant accounting judgements, estimates and assumptions

In the application of the Group accounting policies, which are described as below, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the restated consolidated financial statements:-

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at the current period end, management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Defined benefit plans

The cost of the defined benefit plan and other postemployment benefits and the present value of such obligation 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, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in restated consolidated financial statements. Contingent losses that are considered possible are not provided for but disclosed as Contingent liabilities in the restated consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the restated consolidated financial statements. Contingent gain are not recognized until the contingency has been resolved and amounts are received or receivable.

Impairment of financial and non-financial assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The Group assesses the investment in equity instrument of subsidiary companies carried at cost for impairment testing, by comparing carrying value with recoverable value, adopting DCF model for arriving value in use etc.

Impairment of Non – Financial Assets exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's-length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Principal components of income and expenditure

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Our total income consists of: (a) revenue from operations; and (b) other income.

Revenue from operations. Revenue from operations comprises revenue from contracts with customers (consisting of revenue from sale of products, and revenue from sale of services) and other operating revenue (consisting of export incentives, revenue from solar power generation and scrap sales). Revenue from sale of products comprises revenue from the sale of components to OEMs across automotive and non-automotive sectors (recorded as revenue from sale of automotive parts in our Restated Consolidated Financial Information). Revenue from sale of services comprises revenue from metal finishing, assembly and contract manufacturing services provided by us. Further, power generation through our captive solar power plant at Solapur, Maharashtra is recorded as other operating revenue, as the power generated in the plant is sold through open access grid as per a distribution licence approval dated September 29, 2020 issued by Maharashtra State Electricity Distribution Co. Limited.

Other income. Other income comprises interest income, re-measurement of existing equity interest (representing re-measurement to fair value of existing equity interest in Metalman Micro Turners), gain on forward contract, net foreign exchange gain, rental income, subsidy received, net gain on sale of property, plant and equipment and excess provision written back. Interest income primarily relates to interest income from banks and others and interest on financial assets measured at amortized cost.

Expenses

Expenses consist of cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of materials consumed. Cost of material consumed comprises the raw materials at the beginning of the year, addition on account of business combination, increased by the purchases and reduced by discount received and the closing stock of such raw materials at the end of the year. Our raw materials primarily comprise bought out parts, sheet, steel tubes, MS round, welding material and chemicals such as nickel, argon, and CO2 gas.

Changes in inventories of finished goods and work-in-progress. Changes in inventories of finished goods and work-in-progress comprise net increases or decreases in stock of finished goods and work in progress.

Employee benefits expense. Employee benefits expenses comprise salaries and wages, contribution to provident and other funds, gratuity expense and staff welfare expenses.

Finance costs. Finance costs comprise interest expense on borrowings, interest expense on lease liabilities and other borrowing costs. Other borrowing costs comprise bank charges levied in relation to our borrowings.

Depreciation and amortization expense. Depreciation and amortization expense relates to depreciation on property, plant and equipment, depreciation on right of use assets and amortization of intangible assets. Property, plant and equipment comprise freehold land, building, plant and machinery, furniture and fittings, vehicles, office equipment and computers, right of use assets comprise leasehold land leasehold building and intangible assets comprise software.

Other expenses. Significant components of other expenses include labour charges, power and fuel, stores, spares and tools consumed, freight and cartage, repairs and maintenance, professional fees and charges, travelling and conveyance, and miscellaneous expenses (which includes printing and stationery, business promotion, rejection and sorting charges, laboratory and testing charges, waste disposal, and telephone and internet). Other components of other expenses include rent, rates and taxes, insurance charges, payment to auditors, effect of re-constitution of firm, contribution towards corporate social responsibility, allowance for doubtful debts, balance written off, net loss on sale and discard of property, plant and equipment, and donation and charity.

Tax expense

Total tax expense consists of current tax, taxation related to earlier years and deferred tax.

Profit after tax

Profit after tax is calculated after reducing the total tax expense from the profit before tax.

Our results of operations

The following tables set forth our selected financial data from our restated consolidated statement of profit and loss for the Financial Years 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such years:

Particulars	For the Financial Year ended March 31,					
	2024		2023		2022	
	(₹ in millions, except for percentage)					
Income						
Revenue from operations	15,075.97	99.01%	10,503.91	96.13%	10,307.58	99.44%
Revenue from contracts with customers						
- Sale of products	14,177.14	93.11%	9,745.34	89.19%	9589.40	92.51%
- Sale of services	612.71	4.02%	516.10	4.72%	516.17	4.98%
Other operating revenue						
- Export Initiatives	14.03	0.09%	14.50	0.13%	12.73	0.12%
- Revenue from solar power generation	11.21	0.07%	8.49	0.08%	15.10	0.15%
- Scrap sales	260.88	1.72%	219.48	2.01%	174.17	1.68%
Other Income	150.40	0.99%	423.02	3.87%	58.35	0.56%
Total Income	15,226.37	100.00%	10,926.93	100.00%	10,365.93	100.00%
Expenses						
Cost of materials consumed	10.868.19	71.38%	7.860.49	71.94%	7,938.23	76.58%
Changes in inventories of finished goods and work-in-progress	(29.43)	(0.19)%	(38.35)	(0.35)%	(72.49)	(0.70)%

Particulars	For the Financial Year ended March 31,					
	2024		2023		2022	
	(₹ in millions, except for percentage)					
Employee benefits expense	794.27	5.22%	541.90	4.96%	495.77	4.78%
Finance costs	276.81	1.82%	140.36	1.28%	145.07	1.40%
Depreciation and amortization expense	499.04	3.28%	295.47	2.70%	291.07	2.81%
Other expenses	2,276.14	14.95%	1,411.87	12.92%	1,184.00	11.42%
Total Expenses	14,685.02	96.44%	10,211.74	93.45%	9,981.65	96.29%
Profit before share of net profit of associates and tax	541.35	3.56%	715.19	6.55%	384.28	3.71%
Share of net profit of associate	-	-	27.40	0.25%	54.28	0.52%
Profit before tax	541.35	3.56%	742.59	6.80%	438.56	4.23%
Tax Expense						
Current tax	137.52	0.90%	109.08	1.00%	80.00	0.77%
Taxation related to earlier years	(34.99)	(0.23)%	(0.12)	0.00%	(7.17)	(0.07)%
Deferred tax charge/(benefits)	(61.22)	(0.40)%	2.52	0.02%	16.09	0.16%
Total tax expense	41.31	0.27%	111.48	1.02%	88.92	0.86%
Profit for the year	500.04	3.28%	631.11	5.78%	349.64	3.37%

Financial Year 2024 compared to Financial Year 2023

Total income. Total income increased by 39.35% to ₹15,226.37 million for the Financial Year 2024 from ₹10,926.93 million for the Financial Year 2023 due to increase in total income.

Revenue from operations. Revenue from operations increased by 43.53% to ₹15,075.97 million for the Financial Year 2024 from ₹10,503.91 million for the Financial Year 2023 primarily due to an increase in revenue from sale of products to ₹14,177.14 million for the Financial Year 2024 from ₹9.745.34 million for the Financial Year 2023, which is primarily attributable to the increase in sales in India further to our acquisition of Metalman Micro Turners. Our sale of services in India increased by 18.72% to ₹612.71 million for Fiscal 2024, from ₹516.10 million for Fiscal 2023, due to increase in income from contract manufacturing. Further, other operating revenue increased by 18.00% to ₹286.12 million for the Financial Year 2024 from ₹242.47 million for the Financial Year 2023, primarily due to increase in (i) revenue from solar power generation by 32.04% to ₹11.21 million for the Financial Year 2024 from ₹8.49 million for the Financial Year 2023 and (ii) scrap sales by 18.86% to ₹260.88 million for the Financial Year 2024 from ₹219.48 million for the Financial Year 2023.

Other income. Other income reduced by 64.45% to ₹150.40 million for the Financial Year 2024 from ₹423.02 million for the Financial Year 2023 primarily due to the re-measurement of existing equity interest in Financial Year 2023, which was partially offset by subsidy received in Financial Year 2024 during the Financial Year 2024, of ₹123.75 million under the Maharashtra Industrial Promotion Subsidy Policy – 2013 and the Madhya Pradesh Investment Promotion Scheme – 2014, which includes ₹69.90 million pertaining to the period from April 1, 2020 to March 31, 2023. In Financial Year 2023, further to increase in our stake in Metalman Micro Turners from 50% to 98%, gain pursuant to re-measurement to fair value of existing equity interest of ₹392.41 million was recorded.

Expenses. Expenses increased by 43.81% to ₹14,685.02 million for the Financial Year 2024 from ₹10,211.74 million for the Financial Year 2023 primarily due to increases in cost of raw materials consumed, employee benefits expense, finance costs and depreciation and amortization expenses, and other expenses.

Cost of materials consumed. Cost of material consumed increased by 38.26% to ₹10,868.19 million in Fiscal 2024, from ₹7,860.49 million in Fiscal 2023, primarily due to an increase in production volumes.

Changes in inventories of finished goods and work in progress. Changes in inventories of finished goods and work-in-progress reduced by ₹29.43 million for the Financial Year 2024 as compared to a reduction by ₹38.35 million for the Financial Year 2023. In relation to inventories of finished goods and work in progress, we had an opening stock of ₹172.87 million and a closing stock of ₹186.48 million for the Financial Year 2024, and an opening stock of ₹129.79 million and a closing stock of ₹145.61 million for the Financial Year 2024.

Employee benefits expense. Employee benefits expense increased by 46.57% to ₹794.27 million for the Financial Year 2024 from ₹541.90 million for the Financial Year 2023 primarily due to an increase in salaries and wages to ₹694.68 million for the Financial Year 2024 from ₹472.99 million for the Financial Year 2023, which was mainly attributable to an increase in number of employees because of increased scale of operations and annual increments given to employees in Fiscal 2024.

Finance costs. Finance costs increased to ₹276.81 million for the Financial Year 2024 from ₹140.36 million for the Financial Year 2023 primarily due to an increase in interest on borrowings to ₹270.04 million for the Financial Year 2024 from ₹133.37 million for the Financial Year 2023, which was mainly attributable to primarily attributable to an increase in interest rates on borrowings from banks.

Depreciation and amortization expense. Depreciation and amortization expense increased by 68.90% to ₹499.04 million for the Financial Year 2024 from ₹ 295.47 million for the Financial Year 2023 primarily due to an increase in depreciation on property, plant and equipment to ₹468.12 million for the Financial Year 2024 from ₹277.19 million for the Financial Year 2023, which is primarily attributable to an increase in our property, plant and equipment on account of (i) setting up of our Aurangabad Manufacturing Facility 3 in Financial year 2023 and (ii) acquisition of Metalman Micro Turners.

Other expenses. Other expenses increased by 61.21% to ₹2276.14 million for the Financial Year 2024 from ₹1411.87 million for the Financial Year 2023 primarily due to (i) increase in labour charges to ₹ 1017.16 million for the Financial Year 2024 from ₹504.03 million for the Financial Year 2023 due to increase in volume of production and increase in wage prices, (ii) power and fuel to ₹ 414.23 million for the Financial Year 2024 from ₹243.92 million for the Financial Year 2023 due to increase in volume of production and increase in prices, (iii) stores, spares and tools consumed to ₹ 284.46 million for the Financial Year 2024 from ₹244.77 million for the Financial Year 2023 due to increase in volume of production and increase in prices, (iv) freight and cartage to ₹ 152.32 million for the Financial Year 2024 from ₹125.85 million for the Financial Year 2023 due to increase in sales of products and increase in prices, (v) repairs and maintenance to ₹ 166.23 million for the Financial Year 2024 from ₹98.59 million for the Financial Year 2023 due to increased repair on plant and machinery (vi) professional fees and charges to ₹ 44.12 million for the Financial Year 2024 from ₹20.02 million for the Financial Year 2023 due to increase in expenses on account of consolidation of accounts of Metalman Micro Turners, (vii) travelling and conveyance to ₹ 33.83 million for the Financial Year 2024 from ₹28.57 million for the Financial Year 2023 due to increase in volume of production and increased travelling cost, and (viii) miscellaneous expenses to ₹ 112.30 million for the Financial Year 2024 from ₹49.76 million for the Financial Year 2023 due to increase in expenses on account of consolidation of accounts of Metalman Micro Turners.

Tax Expense. Our total tax expense significantly reduced by 62.94% to ₹41.31 million for the Financial Year 2024 from ₹111.48 million for the Financial Year 2023. This was primarily due to increase in deferred tax benefits to ₹61.22 million for the Financial Year 2024 from deferred tax expense of ₹2.52 million for the Financial Year 2023 due to impact of change in tax rate pursuant to the exercise of option permitted under Section 115BAA of the Income Tax Act, 1961 in the beginning of Financial Year 2024.

Profit after tax. As a result of the foregoing, our restated profit for the year reduced by 20.77% to ₹500.04 million for the Financial Year 2024 from ₹631.11 million for the Financial Year 2023.

Financial Year 2023 compared to Financial Year 2022

Total income. Total income increased by 5.41% to ₹ 10926.93 million for the Financial Year 2023 from ₹ 10365.93 million for the Financial Year 2022 due to increase in revenue from operations and other income.

Revenue from operations. Revenue from operations increased by 1.90% to ₹10,503.91 million for the Financial Year 2023 from ₹10307.58 million for the Financial Year 2022 primarily due to an increase in revenue from sale of products to ₹9,745.34 million for the Financial Year 2023 from ₹9,589.40 million for the Financial Year 2022, which was primarily attributable to the increase in sale of our products in India. Further, other operating revenue increased by 20.03% to ₹242.47 million for the Financial Year 2023 from ₹202.01 million for the Financial Year 2022, primarily due to increase in (i) export incentives by 13.90% to ₹14.50 million for the Financial Year 2023 from ₹12.73 million for the Financial Year 2022, and (ii) scrap sales by 26.01% to ₹219.48 million for the Financial Year 2023 from ₹174.17 million for the Financial Year 2022.

Other Income. Other income increased by 624.97% to ₹423.02 million for the Financial Year 2023 from ₹58.35 million for the Financial Year 2022 primarily due to the re-measurement of existing equity interest in Financial Year 2023. In Financial Year 2023, we acquired majority stake in Metalman Micro Turners and ₹392.41 million was the re-measurement gain pursuant to the re-measurement to fair value of existing equity interest in the firm. This was partially set-off by decrease in subsidy income of ₹7.32 million and decrease in net foreign exchange gain by 77.92% to ₹3.54 million in Financial Year 2023.

Expenses. Expenses increased by 2.31% to ₹10211.74 million for the Financial Year 2023 from ₹9981.65 million for the Financial Year 2022 primarily due to increase in other expenses and changes in inventories of finished goods and work in progress.

Cost of materials consumed. Cost of material consumed reduced by 0.98% to ₹7860.49 million in Fiscal 2023, from ₹7938.23 million in Fiscal 2022, primarily due to decrease in purchase price of raw materials.

Changes in inventories of finished goods and work in progress. Changes in inventories of finished goods and work-in-progress reduced by ₹38.35 million for the Financial Year 2023 as compared to a reduction by ₹72.49 million for the Financial Year 2022. In relation to inventories of finished goods and work in progress, we had an opening stock of ₹181.25 million and a closing stock of ₹172.87 million for the Financial Year 2023, and an opening stock of ₹83.06 million and a closing stock of ₹129.79 million for the Financial Year 2023.

Employee benefits expense. Employee benefits expense increased by 9.30% to ₹541.90 million for the Financial Year 2023 from ₹495.77 million for the Financial Year 2022 primarily due to because of annual increments given to employees in Fiscal 2023.

Finance costs. Finance costs reduced to ₹140.36 million for the Financial Year 2023 from ₹145.07 million for the Financial Year 2022 primarily due to a decrease in interest on borrowings to ₹133.37 million for the Financial Year 2023 from ₹139.13 million for the Financial Year 2022.

Depreciation and amortization expense. Depreciation and amortization expense increased by 1.51% to ₹295.47 million for the Financial Year 2023 from ₹291.07 million for the Financial Year 2022 primarily due to an increase in depreciation on property, plant and equipment to ₹277.19 million for the Financial Year 2023 from ₹273.77 million for the Financial Year 2022.

Other expenses. Other expenses increased by 19.25% to ₹1411.87 million for the Financial Year 2023 from ₹1184.00 million for the Financial Year 2022 primarily due to (i) increase in labour charges to ₹ 504.03 million for the Financial Year 2023 from ₹436.12 million for the Financial Year 2022 due to increase in volume of production and increase in wage prices, (ii) power and fuel to ₹ 243.92 million for the Financial Year 2023 from ₹210.40 million for the Financial Year 2022 due to increase in volume of production and increase in prices, (iii) stores, spares and tools consumed to ₹ 244.47 million for the Financial Year 2023 from ₹218.43 million for the Financial Year 2022 due to due to increase in volume of production and increase in prices, (iv) freight and cartage to ₹ 125.85 million for the Financial Year 2023 from ₹119.88 million for the Financial Year 2022 due to increase in sales of products and increase in prices, (v) travelling and conveyance to ₹ 28.57 million for the Financial Year 2023 from ₹13.79 million for the Financial Year 2022 due to increase in volume of production and increased travelling cost, (vi) professional fees and charges to ₹ 20.02 million for the Financial Year 2023 from ₹11.31 million for the Financial Year 2022 due to increase in retainership and other professional charges, and (viii) miscellaneous expenses to ₹ 49.76 million for the Financial Year 2023 from ₹26.90 million for the Financial Year 2022 due to increase in business promotion, rejection & sorting expenses and waste disposal expenses.

Tax Expense. Our total tax expense increased by 25.37% to ₹111.48 million for the Financial Year 2023 from ₹88.92 million for the Financial Year 2022. This was primarily due to increases in current tax by 36.35% to ₹109.08 million for the Financial Year 2023 from ₹80.00 million for the Financial Year 2022 and deferred tax charge decreased by 84.34% to ₹2.52 million for the Financial Year 2023 from ₹16.09 million for the Financial Year 2022.

Profit after tax. As a result of the foregoing, our restated profit for the year increased by 80.50% to ₹631.11 million for the Financial Year 2023 from ₹349.64 million for the Financial Year 2022.

Selected Restated Statement of Assets and Liabilities

The following table shows selected financial data derived from our restated consolidated statement of assets and liabilities as of March 31, 2024, March 31, 2023 and March 31, 2022.

Total Assets

Particulars	As of March 31,		
	2024	2023	2022
	(₹ in millions)		
Non-current assets			
Property, plant and equipment	4,516.24	4,430.33	2,628.76
Right of use assets	530.42	589.41	181.69
Capital work-in-progress	107.62	86.85	25.00
Goodwill	179.90	179.90	-
Intangible assets	25.38	27.42	1.95
Financial assets:			
i) Investments	-	-	456.58
ii) Other financial assets	45.39	52.13	39.81
Current tax assets	27.43	-	-
Other non-current assets	254.61	151.52	21.43
Total non- current assets	**5,686.99**	**5,517.56**	**3,355.22**
Current assets			
Inventories	1,055.43	950.77	743.37
Financial assets:			
i) Trade receivables	1,831.18	1,964.42	1,252.67
ii) Cash and cash equivalents	33.96	177.25	3.55
iii) Bank balances other than cash and cash equivalents	9.30	11.92	6.60
iv) Loans	2.15	0.86	-
v) Other financial assets	173.92	235.15	206.99
Other current assets	107.75	198.24	124.40
Total current assets	**3,213.69**	**3,538.61**	**2,337.58**
Assets classified as held for sale	333.37	-	-
Total Assets	**9,234.05**	**9,056.17**	**5,692.80**

Non-current assets. Our total non-current assets increased by ₹169.43 million to ₹5,686.99 million as of March 31, 2024 from ₹5,517.56 million as of March 31, 2023, primarily due to an increase of ₹85.91 million in property plant and equipment to ₹4,516.24 million as of March 31, 2024 from ₹4,430.33 million as of March 31, 2023 and ₹103.09 million in other non-current assets to ₹254.61 million as of March 31, 2024 from ₹151.52 million as of March 31, 2023 mainly due to addition of plant and machinery and subsidy receivable. Our total non-current assets increased by ₹2,162.34 million to ₹5,517.56 million as of March 31, 2023 from ₹3,355.22 million as of March 31, 2022, primarily due to an increase of ₹1,801.57 million in our property plant and equipment to ₹4,430.33 million as of March 31, 2023 from ₹2,628.76 million as of March 31, 2022 and ₹407.72 million in right to use assets to ₹589.41 million as of March 31, 2023 from ₹181.69 million as of March 31, 2022 mainly due to addition of plant and equipment in our Aurangabad Manufacturing Facility 2.

Current assets. Our total current assets reduced by ₹324.92 million to ₹3,213.69 million as of March 31, 2024 from ₹3,538.61 million as of March 31, 2023, primarily due to decrease in trade receivables by ₹133.24 million and decrease in cash and cash equivalents by ₹143.29 million, due to early collections and purchase of property, plant & equipment. Our total current assets increased by ₹1,201.03 million to ₹3,538.61 million as of March 31, 2023 from ₹2,337.58 million as of March 31, 2022, primarily due to change in inventories by ₹207.40 million and increase in trade receivables by ₹711.75 million, due to increase in the business of the company.

Assets held for sale. Our assets held for sale were ₹333.37 million as of March 31, 2024 compared to being nil as of March 31, 2023, primarily due to sale of Chennai plant leasehold land and building and a residential flat.

Equity and Liabilities

Particulars	As of March 31,		
	2024	2023	2022
	(₹ in millions)		
Equity			
Equity share capital	27.19	27.19	27.19
Other Equity	3,290.53	2,791.46	2,157.37
Equity attributable to owners of the Company	**3,317.72**	**2,818.65**	**2,184.56**
Non- controlling interest	36.78	34.55	-

Particulars	As of March 31,		
	2024	2023	2022
	(₹ in millions)		
Total Equity	**3,354.50**	**2,853.20**	**2,184.56**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	1,860.68	1,909.78	1,413.65
ii) Lease liabilities	23.60	20.35	29.55
Provisions	47.75	28.13	27.70
Deferred tax liabilities (net)	602.38	663.13	302.94
Total non-current liabilities	**2,534.41**	**2,621.39**	**1,791.84**
Current Liabilities			
Financial Liabilities			
i) Borrowings	1,266.47	1,196.67	422.74
ii) Lease liabilities	20.76	15.32	13.11
iii) Trade payables			
- total outstanding dues of micro and small enterprises	129.39	106.04	28.69
- total outstanding dues of creditors other than micro and small enterprises	1,299.70	1,624.35	996.09
iv) Other financial liabilities	273.16	173.75	114.92
Other current liabilities	344.13	282.03	108.80
Provisions	11.53	9.57	4,12
Current tax liabilities	-	173.85	27.93
Total current liabilities	**3,345.14**	**3,581.58**	**1,716.40**
Total Equity and Liabilities	**9,234.05**	**9,056.17**	**5,692.80**

Equity share capital. Our equity share capital has remained constant at ₹27.19 million as of March 31, 2024, March 31, 2023 and March 31, 2022.

Other Equity. Our other equity increased by ₹499.07 million to ₹3,290.53 million as of March 31, 2024 from ₹2,791.46 million as of March 31, 2023. The increase was primarily due to the addition of profit of ₹497.81 million. Our other equity increased by ₹634.09 million to ₹2,791.46 million as of March 31, 2023 from ₹2,157.37 million as of March 31, 2022 due to the addition of profit of ₹631.62 million.

Non-current Liabilities. Our total non-current liabilities reduced by ₹86.98 million to ₹2,534.41 million as of March 31, 2024 from ₹2,621.39 million as of March 31, 2023 primarily due to decrease in non-current borrowings by ₹49.10 million. Our total non-current liabilities increased by ₹829.55 million to ₹2.621.39 million as of March 31, 2023 from ₹1,791.84 million as of March 31, 2022 primarily due to increase in our non-current borrowings by ₹478.13 million. The above increase in our non-current borrowings over March 31, 2022 until March 31, 2023 was on account of additional term loans and working capital loans availed by us from banks to invest in plant & machinery at Aurangabad Manufacturing Facility 2.

Current Liabilities. Our total current liabilities reduced by ₹236.44 million to ₹3,345.14 million as of March 31, 2024 from ₹3,581.58 million as of March 31, 2023 primarily due to decrease in trade payables by ₹301.30 million. Our total current liabilities increased by ₹1,865.18 million to ₹3,581.58 million as of March 31, 2023 from ₹1,716.40 million as of March 31, 2022 primarily due to increase in our trade payables by ₹705.61 million.

Cash Flows

The following table summarizes our cash flows data for the years indicated:

(*₹ in millions*)

	For the Financial Year ended March 31,		
	2024	2023	2022
Net cash from operating activities	1,016.25	787.30	486.06
Net cash used in investing activities	(887.96)	(1,297.90)	(176.31)
Net cash flow from/(used in) financing activities	(271.58)	621.21	(316.25)
Cash and cash equivalents at beginning of year	**177.25**	**3.55**	**10.05**

	For the Financial Year ended March 31,		
	2024	2023	2022
Cash and cash equivalents at end of the year	**33.96**	**177.25**	**3.55**

Net cash from operating activities

Net cash generated from operating activities was ₹1,016.25 million for the Financial Year 2024. We had net profit before tax of ₹541.35 million for the Financial Year 2024, which was primarily adjusted for depreciation and amortisation expense of ₹499.04 million, net loss on sale of property, plant and equipment of ₹3.88 million, finance costs of ₹276.81 million, interest income of ₹(2.17) million. This was further adjusted for working capital changes, which primarily consisted of a decrease in other financial asset of ₹67.74 million, an increase in inventories of ₹104.66 million, a decrease in trade receivables of ₹133.24 million, and a decrease in trade payables of ₹301.30 million. As a result, cash generated from operations for the Financial Year 2024 was ₹1,320.06 million adjusting for direct tax paid of ₹ 303.81 million.

Net cash generated from operating activities was ₹787.30 million for the Financial Year 2023. We had net profit before tax of ₹742.59 million for the Financial Year 2023, which was primarily adjusted for depreciation and amortisation expense of ₹295.47 million, net loss on sale of property, plant and equipment of ₹14.19 million, re-measurement to fair value of existing equity interest in acquiree in business combination of ₹(392.41) million, finance costs of ₹140.36 million, share of net profit of associate of ₹(27.40) million, interest income of ₹(1.35) million. This was further adjusted for working capital changes, which primarily consisted of increase in inventories of ₹23.72 million and a decrease in other assets of ₹128.68 million. As a result, cash generated from operations for the Financial Year 2023 was ₹937.05 million before adjusting for direct tax refund/(paid) of ₹(149.75) million.

Net cash generated from operating activities was ₹486.06 million for the Financial Year 2022. We had net profit before tax of ₹438.56 million for the Financial Year 2022, which was primarily adjusted for depreciation and amortisation expense of ₹291.07 million, net loss/gain on sale of property, plant and equipment of ₹(13.43) million, re-measurement to fair value of existing equity interest in acquiree in business combination of ₹NIL million, finance costs of ₹145.07 million, share of net profit of associate of ₹(54.28) million, interest income of ₹(3.04) million. This was further adjusted for working capital changes, which primarily consisted of increase in inventories of ₹123.64 million and a decrease in other assets of ₹119.71million and an increase in trade receivables of ₹124.44 million. As a result, cash generated from operations for the Financial Year 2023 was ₹526.11 million before adjusting for direct tax refund/(paid) of ₹(40.05) million.

Net cash used in investing activities

Net cash used in investing activities was ₹887.96 million for the Financial Year 2024. This was primarily due to purchase of property, plant and equipment of ₹904.51 million and partially offset by sale of property, plant and equipment of ₹11.62 million.

Net cash used in investing activities was ₹1,297.90 million for the Financial Year 2023. This was primarily due to investment in capital of partnership firm of ₹997.80 million further to acquisition of majority stake in Metalman Micro Turners and purchase of property, plant and equipment of ₹336.35 million and partially offset sale of property, plant and equipment of ₹43.23 million.

Net cash used in investing activities was ₹176.31 million for the Financial Year 2022. This was primarily due to purchase of property, plant and equipment of ₹246.73 million and partially offset by sale of property, plant and equipment of ₹71.59 million.

Net cash flow from/(used in) financing activities

Net cash used in financing activities was ₹271.58 million for the Financial Year 2024. This was primarily due to repayment of long term borrowings of ₹180.95 million and interest paid other on lease liabilities of ₹272.33 million, partially offset by proceeds of short term borrowings of ₹201.65 million.

Net cash inflow from financing activities was ₹ 621.21 million for the Financial Year 2023. This was primarily due to proceeds from long term borrowings of ₹316.27 million and proceeds of short term borrowings of ₹452.68 million, partially offset by interest paid other on lease liabilities of ₹129.94 million.

Net cash used in financing activities was ₹316.25 million for the Financial Year 2022. This was primarily due to proceeds from long term borrowings of ₹205.25 million and repayment of short term borrowings of ₹367.55 million, partially offset by interest paid other on lease liabilities of ₹136.99 million.

Liquidity and capital resources

Our primary sources of liquidity include cash generated from operations and from borrowings, both short-term and long-term, including term loans and working capital facilities. As of March 31, 2024, we had cash and cash equivalents of ₹ 33.96 million. Our financing requirements are primarily for working capital and investments in our business such as capital expenditure towards setting up our Manufacturing Facilities and investment in technology. We expect that cash flow from operations and borrowings will continue to be our principal sources of funds in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our business and operations, and market conditions.

Capital expenditure

The details of capital expenditure incurred by us during Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 are set forth below:

(in ₹ million)

Capital Expense	Financial year 2024	Financial year 2023	Financial year 2022
Addition to property, plant and equipment	798.20	263.58	303.80
Total	**798.20**	**263.58**	**303.80**

Financial indebtedness

As of June 30, 2024, our total borrowings was ₹ 3,144.27 million, which primarily consisted of term loans from banks and working capital loans. See "***Financial Indebtedness***" on page 442.

Contingent liabilities

The following table sets forth a breakdown of our contingent liabilities (as per Ind AS 37) as of March 31, 2024 derived from the Restated Consolidated Financial Information.

(in ₹ million)

Nature of Contingent Liabilities	As on March 31, 2024
Workmen Compensation Act	2.33
CGST Act	35.71
Income Tax Act	11.54
Custom Act	1.08
Bank guarantee *	3.07
Total	**53.73**

**Bank Guarantee has been issued in favour of Metalman Micro Turners.*

Off-Balance Sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and qualitative analysis of market risks

We are exposed to various types of risks during the normal course of business. The risks we are exposed to include market risk, credit risk, liquidity risk.

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 risks, such as equity price risk and commodity risk.

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 and Metalman Micro Turners ("**Group**")are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

Liquidity risk

Liquidity risk is the risk faced in meeting obligations associated our financial liabilities. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft.

Recent accounting pronouncements

As of the date of this Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

Changes in accounting policies

There have been no changes in our accounting policies during Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Unusual or infrequent events or transactions

Except as disclosed 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

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See "***Risk Factors***" and "***– Significant Factors Affecting our Results of Operations***" on pages 32 and 410, respectively.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to the trends identified above in "***– Significant Factors Affecting our Results of Operations***" and the uncertainties described in "***Risk Factors***", beginning on pages 410 and 32, respectively. Except as disclosed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues.

Future relationship between cost and revenue

Other than as described in "***Risk Factors***", "***Our Business***" and above in "***– Significant Factors Affecting our Results of Operations***" beginning on pages 32, 252 and 410, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition

Extent to which material increases in net sales or revenue from operations are due to increased sales volume, introduction of new products or services or increased sale prices

Changes in revenue from operations are as described in "***– Financial Year 2024 compared to Financial Year 2023***" on page 432 and "***– Financial Year 2023 compared to Financial Year 2022***" on page 433.

Segment reporting

Our business activity falls within one operating segment namely, the manufacturing and sale of auto parts and ancillary equipment with a substantial sale of the products being in India. The Board of Directors, which has been identified as being the chief operating decision maker, evaluates our performance, and allocate resources based on the analysis of the various performance indicators as a single unit and there is one reportable segment for us. For further information, see "***Restated Consolidated Financial Information – Note 39 – Segment Information***" on page 389.

New products or business segments

Except as set out in this section and in "***Our Business***" beginning on page 252, there are no new products or business segments, categories or sectors in which we operate that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Seasonality

Our automotive business is directly related to our customers' vehicle sales and production levels across various categories. The 2W and PV industry has close linkages with growth in GDP as well as business cycles impacting incomes of probable customers. Similarly, the demand for CVs and OHVs is closely tied to economic growth. During periods of robust economic expansion, there is an increase in industrial output, infrastructure projects, and logistics activities, driving higher demand for CVs and OHVs. Conversely, during economic slowdowns, demand plummets as businesses reduce capital expenditures and transportation needs decline. (*Source: CRISIL Report*). For further information, see "***Risk Factors – The cyclical nature of businesses can adversely affect our business.***" on page 49.

Competitive Conditions

We operate in a competitive environment. See "***Our Business – Competition***" on page 286, "***Industry Overview***" beginning on page 139 and "***Risk Factors***" beginning on page 32, for further details on competitive conditions that we face across our various business categories.

Significant dependence on customers and suppliers

Our business is dependent on certain customers in the automotive and non-automotive sectors in India, including in particular our top five customers. Similarly, we are dependent on third-party suppliers for our raw materials. See "***Risk Factors – We are dependent on our top 10 customers who contributed more than 70% to our revenue from operations, in each of the last three Financial Years. Our single largest customer contributed more than 29% of our revenue from operations in two of the last three Financial Years. Loss of any of these customers or a reduction in demand from any of them could adversely affect our business, results of operations and financial condition***" on page 33.

Significant developments after March 31, 2024 that may affect our future results of operations

Except as stated below and elsewhere in this Draft Red Herring Prospectus, no developments have come to our attention since the date of the Restated Consolidated Financial Information that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated April 19, 2024 and April 24, 2024, respectively, the authorized share capital of our Company was sub-divided from 20,000,000 equity shares of face value of ₹ 10 each to 100,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹ 10 per equity share to 13,595,870 Equity Shares of face value of ₹ 2 per equity share.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024, derived from our Restated Consolidated Financial Information and as adjusted for the Offer. This table below should be read in conjunction with the sections titled "***Risk Factors***", "***Restated Consolidated Financial Information***", "***Other Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", beginning on pages 32, 321, 402 and 405, respectively.

(₹ in million, except %)

Particulars	Pre-Offer as at March 31, 2024	As adjusted for the proposed Offer(1)
Borrowings		
Current borrowings(2) (A)	717.06	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)(2) (B)	2,425.19	[●]
Total Borrowings (C) = (A+B)	**3,142.25**	[●]
Equity		
Equity share capital(2)	27.19	[●]
Other equity(2)	3,290.53	[●]
Equity attributable to owners of the Company (D)	**3,317.72**	[●]
Total (E) = (C) + (D)	**6,459.97**	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)/ Equity attributable to owners of the Company (B/D)	**0.73**	[●]
Total borrowings/ Equity attributable to owners of the Company (C/D)	**0.95**	[●]

(1) The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

(2) These terms shall carry the meaning as per Schedule III of the Companies Act.

Notes:

i. Pursuant to resolutions passed by our Board on April 19, 2024 and by our Shareholders on April 24, 2024, the issued, subscribed and paid-up capital of our Company was sub-divided from 2,719,174 equity shares of face value of ₹10 each to 13,595,870 equity shares of face value of ₹ 2 each.

ii. Pursuant to resolutions passed by our Board on April 19, 2024and by our Shareholders on April 24, 2024, the issuance of 67,979,350 equity shares of face value ₹2 each by way of a bonus issue in the ratio of 5 equity shares of face value ₹2 each for every one equity share of face value ₹2 each held, was approved, which were allotted on May 14, 2024.

FINANCIAL INDEBTEDNESS

Our Company and Metalman Micro Turners avail credit facilities in the ordinary course of business for meeting our capital expenditure, working capital and other business requirements. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia*, for effecting a change in our shareholding pattern, for effecting a change in the composition of our Board, and for amending our constitutional documents. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 306.

The details of our aggregate indebtedness, on a consolidated basis, as on June 30, 2024 is provided below:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as on June 30, 2024**
Secured		
Term loans	2,867.60	2,279.90
Vehicle loans	67.30	50.40
Working capital facilities		
- Fund-based	1,320.00	803.89
- Non-fund based*	55.00	10.08
Total indebtedness	**4,309.90**	**3,144.27**

Note: There is no any Unsecured Loan as on June 30, 2024.
* *₹55.00 million of non-fund-based is sanction limit for the letter of credit which is not interchangeable with fund-based facilities.*
***As certified by Dewan P. N. Chopra & Co, Chartered Accountants by way of their certificate dated August 12, 2024.*

Key terms of our borrowings

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Metalman Micro Turners.

Interest rate: Our term loans, working capital term loan and cash credit facilities typically provide for a floating rate of interest, varying from 7.10 % to 10.30% per annum, charged above the applicable benchmark lending rates stipulated by the relevant lenders, and the term loans provide for fixed rates of interest of up to 9.90% per annum.

Tenor and repayment: The tenor of our facilities ranges is up to 90 months.

Prepayment: The arrangements for certain of the borrowings availed of by our Company and Metalman Micro Turners include provisions which may carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents may also require prior written consent of the lender**.**

Security: In accordance with the terms of our borrowings, we have provided security by way of, *inter alia*:

(a) first pari passu charge on our entire movable fixed assets;

(b) first pari passu charge on industrial property being land and building of the Aurangabad Manufacturing Unit 3; and

(c) first pari passu charge on industrial property being land and building at the Hosur Manufacturing Unit and Pithampur Manufacturing Unit 1;

(d) Exclusive charge on the entire land and building of the Dharuhera Manufacturing Unit.

Restrictive covenants: Our borrowing arrangements typically contain various restrictive conditions and covenants mandating either the prior written consent and/or an intimation to our lenders in respect of certain corporate actions. An indicative list of such covenants is set forth below.

(a) any change in the capital structure, promoter shareholding, promoter directorship resulting in change in management control;

(b) opening a new current account with any other bank;

(c) change in name or trade name of the Company;

(d) effect any dividend payout in case of delay in debt servicing or breach of any financial covenants;

(e) change in accounting standards and accounting year;

(f) amendments in the Company's constitutional documents; and

(g) enter into any scheme of merger, amalgamation, compromise or reconstruction or do a buyback.

Events of default: In terms of our borrowing arrangement, typically, the occurrence of any of the following, among others, would constitute an event of default:

(a) commits any default in the payment of principal or interest of any obligation as and when it becomes due and payable;

(b) entering into any arrangement or composition with the creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Company;

(c) execution or distress or other process being enforced or levied upon or against the whole or any part of the Company's property whether secured to the lender or not;

(d) any order being made or a resolution being passed for the winding up of the Company;

(e) the Company being adjudicated insolvent;

(f) the Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so; and

(g) cross-default under other borrowings of our Company.

Consequences of events of default: In terms of our borrowing arrangements, the the consequences of occurrence of events of default including the following actions that may be undertaken by the relevant lenders:

(a) declare all or part of the loan obligations to be immediately payable;

(b) to cancel the undrawn commitment and suspend withdrawals;

(c) to enforce the security;

(d) terminate the sanctioned facilities; and

(e) to exercise rights available under any law.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above.

We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – We are subject to and are required to comply with restrictive covenants under our financing agreements, including if we draw down amounts pursuant to such agreements***" on page 55.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings (including first information reports); (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, Metalman Microtuners, our Directors and our Promoters ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years including outstanding actions. As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, joint ventures or associates. Our Company is a partner of a partnership firm, as set out below, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information:*

Pursuant to the Materiality Policy adopted by our Board of Directors on August 9, 2024 for the purposes of (iv) above, any pending litigation (including arbitration proceedings) involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding actions, and tax matters, has been considered 'material' and accordingly disclosed in this Draft Red Herring Prospectus where:

a) the monetary claim made by or against the Relevant Parties in any such pending litigation/arbitration proceeding is equivalent to or above 1% of the profit after tax of the Company, for Financial Year 2024, as per the Restated Consolidated Financial Information being ₹ 5.00 million;

b) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does exceed the materiality threshold as specified in (i) above, or such pending matters which involve the Relevant Parties but are not falling in (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; and

c) any such litigation where the decision in one matter is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (i) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (i) above.

*Except as stated in this section, there are no outstanding material dues to creditors of the Company. In terms of the Materiality Policy, outstanding dues to any creditor of the Company having monetary value exceeding ₹ 71.45 million, which is 5 % of the total trade payables of our Company as of March 31, 2024, as per the Restated Consolidated Financial Information shall be considered as 'material'. Accordingly, as of March 31, 2024, as per the Restated Consolidated Financial Information, any outstanding dues exceeding ₹ 71.45 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party, which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

It is clarified that for the purpose of the Materiality Policy, pre-litigation notices received by the Relevant Parties from third parties (governmental/statutory/regulatory/judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

1. Escon Infratech Private Limited has filed a commercial suit, before the Commercial Court, Panchkula, Haryana, India against our Company, our Promoters and Directors, namely Navneet Jairath, Sachin Bembi, Bikramjit Bembi, Nishant Jairath our Director Shrikant Gulabchand Mundada and Satish Kumar Pandey, erstwhile director of our Company, claiming that our Company has failed to supply the requisite material and adequate water and electricity facilities, delayed in providing drawings of the factory building and defaulted in its payment obligations under the work order dated April 9, 2018, and accordingly sought recovery of ₹ 100.45 million, along with pendente lite and future interest of 13.5% per annum. The matter is currently pending.

   For details regarding civil proceeding instituted by our Company against Escon Infratech Private Limited prior to this matter, see "*– **Litigation involving our Company – Litigation by our Company – Material Civil Proceedings***" on page 445.

2. Lamba Bros Private Limited has filed a commercial suit before the District Judge, Tiz Hazari Court West, District Court, New Delhi, India against our Company, alleging that our Company failed to take due and sufficient care of the machines supplied by them pursuant to the purchase orders dated October 5, 2017 and December 15, 2017 and amended purchase order dated November 28, 2017, and further, failed to make complete payment of the consideration for such machines. Lamba Bros Private Limited has accordingly sought recovery of ₹ 11.78 million, along with pendente lite and future interest of 15% per annum. The matter is currently pending.

   For details regarding civil proceeding instituted by our Company against Lamba Bros Private Limited prior to this matter, see "*– **Litigation involving our Company – Litigation by our Company – Material Civil Proceedings***" on page 445.

3. Mukesh Singh, Proprietor of Deva Associates, has filed a counter claim before the Commercial Court, Gurugram, Haryana, India against our Company, alleging failure to comply with the purchase order dated June 13, 2018, in relation to supply of raw materials for dyes and timely delivery of samples and designs for the tools specified in the purchase order. Deva Associates has accordingly sought recovery of ₹3.28 million. The matter is currently pending.

   For details regarding civil proceeding instituted by our Company against Deva Associates, see "*– **Litigation involving our Company – Litigation by our Company – Material Civil Proceedings***" on page 445.

4. For details regarding civil proceeding instituted by Hafiza Bi against our Company, see "*– **Litigation involving our Directors – Litigation against our Directors – Criminal Proceedings***" on page 447.

B. Litigation filed by our Company

Criminal proceedings

Our Company has filed initiated six criminal proceedings before various judicial fora for alleged violations of Section 138 of the Negotiable Instruments Act, 1881, against various parties, including our customers, in relation to dishonor of cheques tendered towards payments due to our Company. The aggregate amount involved in all these matters is approximately ₹ 174.62 million.

Material civil proceedings

1. Our Company filed a commercial suit before the Commercial Court, Panchkula, Haryana, India against Escon Infratech Private Limited, alleging that Escon Infratech Private Limited had failed to comply with

work order dated April 9, 2018 placed by our Company in relation to construction/civil work and arrangement of sand, brick, aggregate metal, construction material and safety material, and submitted fraudulent invoices, falsely claimed amounts for incomplete work and GST without proper documentation and failed to complete the contracted work on time. Our Company has sought recovery of ₹ 55.42 million, along with interest at the rate of 12% per annum. The matter is currently pending.

2. Our Company filed a commercial suit before the Commercial Court, Tiz Hazari, New Delhi, India against Lamba Bros Private Limited, alleging failure to comply with purchase orders dated October 5, 2017 and December 15, 2017, and amended purchase order dated November 28, 2017, in relation to installation of certain machinery at our Hosur Manufacturing Unit. Our Company has accordingly sought recovery of ₹ 7.42 million, along with interest at the rate of 8% per annum on the decretal amount from the day of the institution of the suit until the satisfaction of the decretal amount. The matter is currently pending.

3. Our Company has filed a commercial suit before the Commercial Court, Dwarka, Delhi, India against Ram Mehar, proprietor of Neeraj Enterprises, alleging failure to comply with the purchase order dated February 7, 2018, in relation to supply of front and rear fender royal forming machine and spare cassette. Our Company has accordingly sought recovery of ₹ 7.76 million, along with interest at the rate of 12% per annum. The matter is currently pending.

4. Our Company has filed a commercial suit before the Commercial Court, Gurugram, Haryana, India against Mukesh Singh, Proprietor of Deva Associates, alleging failure to comply with the purchase order dated June 13, 2018, in relation to supply of tools and dyes. Our Company has accordingly sought recovery of ₹ 6.21 million, along with interest at the rate of 8% per annum. The matter is currently pending.

C. Tax proceedings involving our Company

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Direct Tax	1	11.54
Indirect Tax	6	36.78
Total	**7**	**48.33**

Description of tax proceedings exceeding the materiality threshold

Direct Tax

Pursuant to assessment order under section 143(3) of the Income Tax Act, 1961 on December 21, 2022 by the Assessment Unit, Income Tax Department for the assessment year 2021-22, disallowing the deductions of ₹6.68 million for the assessment year 2021-2022, notice of demand dated December 21, 2022 was issued under Section 156 of the Income Tax Act, 1961 by the Assessment Unit, Income Tax Department against our Company, imposing demand of income tax of ₹11.54 million. Our Company has filed an appeal dated January 9, 2023 against the assessment order dated December 21, 2022, before the Commissioner of Income-tax (Appeals), New Delhi, India. The matter is currently pending.

Indirect Tax

1. Our Company received a show cause cum demand notice dated September 27, 2023, from the GST Audit Nashik Commissionerate, Aurangabad Chapter, Aurangabad, Maharashtra, India under Rule 142 of the Central Goods and Services Tax Rules, 2017, alleging, *inter alia*, the wrongful availment of input tax credit on strength of input tax credit passed on by our suppliers wherein our suppliers failed to make the payment of tax and file their respective GSTR 3B returns, amounting to ₹13.22 million, during the period from April 2017 to March 2022. Our Company filed its response dated October 27, 2023, disputing such demand.

   Subsequently, pursuant to order dated December 12, 2023, the Assistant Commissioner, Office of the Commissioner of Goods and Services Act, Aurangabad, Maharashtra, India imposed a demand of ₹7.75 million on our Company with applicable interest. Our Company has filed an appeal before the Appellate Authority against such order dated December 12, 2023. The matter is currently pending.

2. Our Company received a show cause cum demand notice dated September 28, 2023, from the GST Audit Nashik Commissionerate, Aurangabad Chapter, Aurangabad, Maharashtra, India under Rule 142 of the Central Goods and Services Tax Rules, 2017, alleging, *inter alia*, excessive availment of inadmissible input tax credit on the inward supplies in the GSTR 3B returns, amounting to ₹28.70 million, during Financial Years 2017-2018, 2018-2019, 2019-2020 and 2021-2022, and accordingly imposing demand of ₹28.70 million. Our Company filed its response dated October 30, 2023, with the Additional/Joint Commissioner, CGST & Central Excise, Aurangabad Commissionerate, Aurangabad, Maharashtra, India.

   Subsequently, pursuant to order dated December 5, 2023, the Additional Commissioner, Office of the Commissioner of Goods and Services Act, Aurangabad, Maharashtra, India held that our Company has excess availed and utilised input tax credit of ₹7.41 million during Financial Year 2019-2020, and accordingly imposed demand of ₹7.41 million. Our Company has filed an appeal dated March 4, 2024 against the order dated December 5, 2023, before the Appellate Authority. The matter is currently pending.

II. Litigation involving Metalman Micro Turners

A. Litigation filed against Metalman Micro Turners

Criminal Proceedings

Nil

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

Nil

B. Litigation filed by Metalman Micro Turners

Criminal proceedings

Metalman Micro Turners has filed three complaints before various judicial fora alleging violations of Section 138 of the Negotiable Instruments Act, 1881, as amended, against various parties in relation to dishonor of cheques. The aggregate amount involved in all these matters is approximately ₹ 7.17 million.

Material civil proceedings

Nil

C. Tax proceedings involving Metalman Micro Turners

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	2	3.53
Total	**2**	**3.53**

III. Litigation involving our Directors

A. Litigation filed against our Directors

Criminal proceedings

In connection with the death of Raees Shah, a contract labourer appointed by Ajmer Shah Fabricators working at the Pithampur Manufacturing Unit 1, the Factory Inspector and Assistant Director, Industrial Health and Safety, Madhya Pradesh Government, India, filed a criminal application before the Court of Chief Judicial Magistrate, Dhar, Madhya Pradesh, India, under Section 7A(2)(c) of the Factories Act, 1948 and Rule 73 (c) of Factories Rules, 1962 against Sachin Bembi and Shashikant V. Deshpande, alleging that the iron roof at Pithampur Manufacturing Unit 1 of our Company was not constructed or maintained in such a way that there is no risk of physical injury to the workers. The Court of Chief Judicial Magistrate, Dhar, Madhya Pradesh, India passed a final order dated December 19, 2023, against Sachin Bembi and Shashikant V. Deshpande, directing the District Jail, Dhar, Madhya Pradesh, India to take them into custody under Rule 73 (g) of Factories Rules, 1962 and Section 7 (A) 2 (C) of Factories Act, 1948. Subsequently, Sachin Bembi and Shashikant V. Deshpande filed an appeal under Section 374 of the Code of Criminal Procedure, 1973, before the District and Sessions Judge, Dhar, Madhya Pradesh, India against the order dated December 19, 2023. The matter is currently pending.

Further, Hafiza Bi, the wife of the deceased, along with other applicants, (Collectively, the "**Applicants**") filed an application before the Labour Court, Dhar, Madhya Pradesh, India against our Company, Ajmer Shah Fabricators and Bajaj Allianz General Insurance Company Limited, seeking joint or several compensation amounting to ₹ 2 million, together with interest at the rate of 18% per annum until the date of payment. Our Company submitted its reply dated February 26, 2020, before the Labour Court, Dhar, Madhya Pradesh, India. The matter is currently pending.

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

For details regarding civil proceeding instituted by Escon Infratech Private Limited against our Directors, namely Navneet Jairath, Sachin Bembi, Bikramjit Bembi, Nishant Jairath and Shrikant Gulabchand Mundada, see "– ***Litigation involving our Company – Litigation against our Company – Material Civil Proceedings***" on page 445.

B. Litigation filed by our Directors

Criminal proceedings

Nil

Material civil proceedings

Nil

C. Tax proceedings involving our Directors

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

IV. Litigation involving our Promoters

A. Litigation filed against our Promoters

Criminal proceedings

For details regarding criminal proceeding instituted by the Factory Inspector and Assistant Director, Industrial Health and Safety, Madhya Pradesh Government, India against Sachin Bembi, see "– ***Litigation involving our Directors – Litigation against our Directors – Criminal proceedings***" on page 447.

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

For details regarding civil proceeding instituted by Escon Infratech Private Limited against our Promoters, Navneet Jairath, Sachin Bembi, Bikramjit Bembi and Nishant Jairath, see "– ***Litigation involving our Company – Litigation against our Company – Material Civil Proceedings***" on page 445.

Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions

Nil

B. Litigation filed by our Promoters

Criminal proceedings

Nil

Material Civil proceedings

Nil

C. Tax proceedings involving our Promoters

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

V. Litigation involving our Group Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Company, the adverse outcome of which may have a material impact on our Company.

VI. Outstanding dues to creditors

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as of March 31, 2024, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Material creditors	1	82.76
Micro, Small and Medium Enterprises	205	129.40
Other creditors	1,358	1,216.93
Total	**1,564**	**1,429.09**

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website at www.metalmanauto.com/investors/.

VII. Material Developments

Other than as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after March 31, 2024 that may affect our future results of operations***" on page 440, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the DRHP.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by (a) our Company and (b) Metalman Micro Turners, which are considered material and necessary for the purposes of undertaking their respective businesses and operations. Except as mentioned below, no other material consents, licenses, registrations, permissions, and approvals are required to undertake the Offer or to carry on the business and operations of our Company and Metalman Micro Turners. As on the date of this Draft Red Herring Prospectus, our Company is a partner of a partnership firm, as set out below, which, while not a "subsidiary" as defined under the Companies Act, 2013, has been consolidated as a subsidiary in accordance with applicable accounting standards for the purposes of the Restated Consolidated Financial Information. Additionally, certain material approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and our Company and Metalman Micro Turners have either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable law. We have set out below, (i) material approvals or renewals applied for but not received; and (ii) material approvals expired and renewal yet to be applied for. Pursuant to the conversion of our Company into a public limited company and the consequent change in name of our Company, our Company is in the process of changing our name as it appears on various approvals and licenses.

*For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "**Risk Factors – We are subject to stringent environmental laws and regulations in India, which may subject us to increased compliance costs, and which may in turn result in an adverse effect on our financial condition. We also require certain licenses, permits and approvals under such laws and regulations in India in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially affect our operations**" on page 56. For further details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies in India**" on page 287.*

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 458.

II. Material Approvals obtained in relation to our Company and Metalman Micro Turners

Our Company and Metalman Micro Turners have received the following material approvals pertaining to their business and operations.

Tax related approvals

<u>Company</u>

- The permanent account number of our Company is AABCM5441M.
- Allocation of tax deduction account number under the Income Tax Act, 1961, for Maharashtra, Madhya Pradesh and Tamil Nadu, issued by the Income Tax Department, Government of India.
- Goods and services tax registrations under the applicable central and state goods and services tax legislations in the states of Punjab, Haryana, Delhi, Maharashtra, Tamil Nadu, Madhya Pradesh and Karnataka issued by the relevant central and state authorities.
- Professional tax registrations under applicable state professional tax legislations in the states of Maharashtra, Tamil Nadu and Madhya Pradesh.

<u>Metalman Micro Turners</u>

- The permanent account number of Metalman Micro Turners is AARFM6597K.
- Allocation of tax deduction account number under the Income Tax Act, 1961, for Uttarakhand and Haryana, issued by the Income Tax Department, Government of India.

- Goods and services tax registrations under the applicable central and state goods and services tax legislations in the states of Haryana, Delhi and Uttarakhand issued by the relevant central and state authorities.

Labour and Employee related approvals

Company

- Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

- Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

- Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, as amended.

- Certificate of Importer Exporter Code (IEC number 3003001965), issued by the Additional Directorate General of Foreign Trade, Ministry of Commerce and Industry.

Metalman Micro Turners

- Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

- Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

- Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, as amended.

Approvals material to our business and operations

Company

(i) Registrations/licenses to work a factory under the Factories Act, 1948, and the rules made thereunder, each as amended for Aurangabad Manufacturing Unit 1, Aurangabad Manufacturing Unit 2, Aurangabad Manufacturing Unit 3, Aurangabad Manufacturing Unit 4, Pithampur Manufacturing Unit 1, Pithampur Manufacturing Unit 2 and Hosur Manufacturing Unit.

(ii) Consent to operate issued by (i) Maharashtra Pollution Control Board for Aurangabad Manufacturing Unit 1, Aurangabad Manufacturing Unit 2 and Aurangabad Manufacturing Unit 3 under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; (ii) Madhya Pradesh Pollution Control Board for Pithampur Manufacturing Unit 1 and Pithampur Manufacturing Unit 2 under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981; (iii) Tamil Nadu Pollution Control Board for Hosur Manufacturing Unit under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981;

(iii) Hazardous Waste Authorization issued by the Tamil Nadu Pollution Control Board under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for Hosur Manufacturing Unit.

(iv) License under the Delhi Shops and Establishment Act, 1954, as amended, for the Registered and Corporate Office of our Company.

(v) No objection certificates from the fire departments of the respective State Governments to undertake our operations at Aurangabad Manufacturing Unit 2, Aurangabad Manufacturing Unit 3, Aurangabad Manufacturing Unit 4 and Hosur Manufacturing Unit.

(vi) Approvals/permissions/registrations to install/run diesel generation sets and load sanctions of power supply from the electricity authorities of the respective State Governments for Aurangabad Manufacturing Unit 1, Aurangabad Manufacturing Unit 2, Aurangabad Manufacturing Unit 3, Aurangabad Manufacturing Unit 4, Pithampur Manufacturing Unit 1, Pithampur Manufacturing Unit 2 and Hosur Manufacturing Unit.

(vii) Licenses, approvals and authorizations, wherever applicable for importation and storage of petroleum issued by the Petroleum and Explosives Safety Organization, under the Explosives Act, 1884, as amended, for Aurangabad Manufacturing Unit 1, Aurangabad Manufacturing Unit 3 and Hosur Manufacturing Unit.

Metalman Micro Turners

(i) Registrations/licenses to work a factory under the Factories Act, 1948, and the rules made thereunder, each as amended for Pantnagar Manufacturing Unit and Dharuhera Manufacturing Unit.

(ii) Consent to operate from Haryana Pollution Control Board for the Dharuhera Manufacturing Unit under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

(iii) Hazardous Waste Authorization issued by the Haryana State Pollution Control Board under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for Dharuhera Manufacturing Unit.

(iv) No objection certificate issued by the Central Ground Water Authority and Haryana Ground Water Authority for ground water abstraction, for Pantnagar Manufacturing Unit and Dharuhera Manufacturing Unit, respectively.

(v) No objection certificates from the fire departments of the respective State Governments to undertake our operations at Pantnagar Manufacturing Unit and Dharuhera Manufacturing Unit.

(vi) Registration certificate for producer under the Plastic Waste Management Rules, 2016 from the Uttarakhand Pollution Control Board for Pantnagar Manufacturing Unit.

(vii) Approvals/permissions/registrations to install/run diesel generation sets from the electricity authorities of the respective State Governments for Pantnagar Manufacturing Unit and Dharuhera Manufacturing Unit.

(viii) Licenses, approvals and authorizations, wherever applicable for importation and storage of petroleum issued by the Petroleum and Explosives Safety Organization, under the Explosives Act, 1884, as amended, for Pantnagar Manufacturing Unit and Dharuhera Manufacturing Unit.

III. Material approvals pending in respect of our Company and Metalman Micro Turners

Material approvals or renewals for which applications are currently pending before relevant authorities

S. No.	Description	Authority	Date of Application
Company			
1.	Correction in address of Aurangabad Manufacturing Unit 1 and Addition of Aurangabad Manufacturing Unit 4 in the Professional Tax Registration	Assistant Commissioner, Profession Tax, Aurangabad	July 26, 2024
Metalman Micro Turners			
1.	Consolidated Consent to Operate and Authorization under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for the Pantnagar Manufacturing Unit	Uttarakhand Pollution Control Board	February 29, 2024
2.	Certificate of Registration under Contract Labour Act, 1970 for Pantnagar Manufacturing Unit	Labour Commissioner Organisation	July 15, 2024

Material approvals expired and renewal yet to be applied for

Nil

Material approvals required but not obtained or applied for

S. No.	Description	Authority
Company		
1.	Consent to Operate and Authorization under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for the Aurangabad Manufacturing Unit 4	Maharashtra Pollution Control Board
Metalman Micro Turners		
Nil		

IV. Intellectual Property

Trademarks

As on the date of this Draft Red Herring Prospectus, we have three registered trademarks in India. Details of the trademarks of our Company registered in India as on the date of this Draft Red Herring Prospectus are given in the table below:

S. No.	Description	Class of Registration	Registering Authority	Registration Number	Date of Expiry
1.	METALMAN	7	Registrar of Trademarks	1526680	January 29, 2027
2.	METALMAN	12	Registrar of Trademarks	1526681	January 29, 2027
3.	METALMAN	8	Registrar of Trademarks	2974309	May 29, 2025

Patents

As on the date of this Draft Red Herring Prospectus, we have eight granted patents for our Company and one granted patent for Metalman Micro Turners in India. Further, as on the same date, we have two pending applications for patents for our Company, which are pending at various stages in India.

S. No.	Description	Registering Authority	Registration Number	Date of Expiry
Our Company				
1.	Invention – *system and method to reset a robot battery alarm during a welding process*	Controller of Patent, the Patent Office, Government of India	521062	August 20, 2041
2.	Invention – *an interlocking system for automatic gas flow checking and a method thereof*	Controller of Patent, the Patent Office, Government of India	493757	August 20, 2041
3.	Invention – *system and method to monitor and adjust a shielding gas mixture at a shopfloor*	Controller of Patent, the Patent Office, Government of India	473280	August 11, 2041
4.	Invention – *helmet detection system*	Controller of Patent, the Patent Office, Government of India	485085	September 30, 2041
5.	Invention – *variable shielding gas flow mechanism in a welding robot*	Controller of Patent, the Patent Office, Government of India	489576	July 9, 2041
6.	Invention – *chassis inspection system and a method thereof*	Controller of Patent, the Patent Office, Government of India	520043	September 30, 2041
7.	Invention – *interlocking system to replace a contact tip of a robot welder and method thereof*	Controller of Patent, the Patent Office, Government of India	515190	August 11, 2041

8.	Invention – *a safety system for use with an industrial robot*	Controller of Patent, the Patent Office, Government of India	546857	August 21, 2041
Metalman Micro Turners				
9.	Invention – *welding fume extractor*	Controller of Patent, the Patent Office, Government of India	360653	April 10, 2040

GROUP COMPANIES

As per the SEBI ICDR Regulations, group companies of a company include such companies (other than promoter(s) and subsidiary(ies) of such company) (i) with which there are related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards; and (ii) other companies considered material by the board of directors of the relevant issuer company.

Accordingly, in terms of the Materiality Policy as approved by our Board pursuant to its resolution dated August 9, 2024 for (i) above such companies with which there were related party transactions during the period as covered by the Restated Consolidated Financial Information, as covered under the relevant accounting standard (i.e., Ind AS 24) and with respect to point (ii) above, for the purposes of disclosure in this Draft Red Herring Prospectus, a company is considered "material" and disclosed as a group company, if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which our Company has entered into one or more transactions during the last completed Financial Year (or relevant stub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of our Company for the last completed Financial Year (or the relevant stub period, as applicable) as per the Restated Consolidated Financial Information.

Based on the above, Insightful Systems Private Limited and Excelleta Tech Private Limited are our Group Companies.

1. Insightful Systems Private Limited

The registered office of Insightful Systems Private Limited is located at KH No. 403/2 min S/F, Main Mehrauli Road, Gitorni, Gadaipur, South West Delhi, New Delhi, Delhi – 110030, India.

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our Group Company based on their available audited financial statements for the preceding three years shall be hosted on the website at https://insightfulsystems.in/.

Our Company has provided a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such information should not be considered as part of information that any investor should consider before making any investment decision.

2. Excelleta Tech Private Limited

The registered office of Excelleta Tech Private Limited is located at Flat No. B1-103, Kandres Resi. 1st 25/1/A/2/26/2/2, Pandharpur, Solapur, Pandharpur (MCI), Pandharpur, Solapur, Pandharpur, Maharashtra, 413304, India.

As Excelleta Tech Private Limited was incorporated on March 25, 2023, it does not have audited financial statements for the preceding three years. Therefore, in accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value cannot be provided.

Our Company has provided a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Nature and extent of interests of our Group Companies

In the promotion of our Company

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus.

In the transactions for acquisition of land, construction of building, supply of machinery, etc.

Except to the extent of related party transactions stated in financial statements, our Group Companies does not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

Related Business Transactions

As on the date of this Draft Red Herring Prospectus, except as disclosed in "***Other Financial Information – Related party transactions***" on page 404, our Group Companies do not have, (i) any business interest in our Company; or (ii) related business transactions with our Company.

Common pursuits of our Group Company

There are no common pursuits between the Group Companies and our Company as on the date of this Draft Red Herring Prospectus.

Litigation

As on date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has authorized the Offer pursuant to its resolution dated July 26, 2024, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated July 27, 2024.

Our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on August 12, 2024.

Our Board has on August 9, 2024 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Our IPO Committee has on August 12, 2024 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Selling Shareholders

The Selling Shareholders has confirmed and authorized offer and transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholders	Date of Consent Letter	Maximum number of Offered Shares
1.	Bikramjit Bembi	August 12, 2024	Up to 1,895,424 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
2.	Navneet Jairath	August 12, 2024	Up to 1,895,424 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
3.	Sachin Bembi	August 12, 2024	Up to 2,558,824 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
4.	Nishant Jairath	August 12, 2024	Up to 2,558,824 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
5.	Sonia Bembi Seth	August 12, 2024	Up to 1,200,433 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
6.	Nisha Jairath	August 12, 2024	Up to 1,200,433 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
7.	Savita Bembi	August 12, 2024	Up to 663,400 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
8.	Navita Jairath	August 12, 2024	Up to 663,400 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million
		Total	**Up to 12,636,162 equity shares of face value ₹ 2 each aggregating up to ₹ [●] million**

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by the Securities and Exchange Board of India, the Reserve Bank of India or Governmental Authorities

Our Company, our Promoters (and persons in control of our Company), members of our Promoter Group, our Directors, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Each of the Selling Shareholders confirms that it is not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of our Promoter Group, who are also the Selling Shareholders, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are, in any manner, associated with the securities market and there have been no outstanding actions initiated by SEBI against our Directors, who have been associated with entities in the securities market, in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- our Company has an average operating profit of at least ₹ 150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- our Company has a net worth of at least ₹ 10.00 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and

- except for the change in name pursuant to conversion of our Company from a private limited company into a public limited company, there has been no change of name of our Company at any time during the one year immediately preceding the date of filing of this Draft Red Herring Prospectus.

Set forth below are our Company's restated net tangible assets, restated operating profit, net worth, monetary assets, monetary assets as a percentage of the net tangible assets, derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

(₹ in million, unless otherwise stated)

	As at/for the Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Net tangible assets	3,239.70	2,741.47	2,326.67
Operating profit	667.76	459.93	525.28
Average operating profit		550.99	
Net worth	3,354.50	2,853.20	2,184.56

Notes:

1. *'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets, deferred tax assets, right of use assets, foreign exchange forward contracts receivables, CSR contribution account with Bank and prepaid expenses reduced by total liabilities excluding lease liabilities, deferred tax liabilities and Foreign exchange forward contracts payables of the Company.*
2. *Restated pre-tax operating profit represents the profit after tax for the year before finance costs, other income and tax expenses.*
3. *'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, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated consolidated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulations.*

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. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations, and other applicable law.

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 will be refunded forthwith, in accordance with the SEBI ICDR Regulations and applicable law.

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. Our Company is in compliance with the conditions specified in Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations, as follows:

- our Company, the Promoters, the members of our Promoter Group, who are also the Selling Shareholders, and our Directors are not debarred from accessing the capital market by SEBI;

- none of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;

- neither our Company nor any of our Promoters or Directors has been declared a Wilful Defaulters or a Fraudulent Borrower;

- none of our Promoters or our Directors have not been declared as a Fugitive Economic Offender;

- there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

- our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively;

- our Company, along with the Registrar to the Company, has entered into tripartite agreements dated May 9, 2024 and May 17, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

- the Equity Shares of our Company held by our Promoters are in dematerialised form;

- the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

- there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance.

Our Company will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED 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, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 12, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

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, www.metalmanauto.com/investors/, or the respective websites of Promoter Group or any affiliate of our Company would be doing so at their own risk. It is clarified that the Selling Shareholders accept and/or undertake any responsibility for any statements made or undertakings provided by any person other than those specifically made or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be mjade available by our Company, the Selling Shareholders (solely with respect to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, the Subsidiaries, the members of the Promoter Group and their respective 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 Selling Shareholders, the Subsidiaries, the members of the Promoter Group and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250 million (subject to applicable law) and pension funds with minimum corpus of ₹250 million (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs 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, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, 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. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, 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 any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of any of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer 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.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those 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.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares 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 Equity Shares at the Stock Exchanges are taken such period as may be prescribed by the SEBI. The Selling Shareholders confirms that it shall extend reasonable co-operation to the Company, as may be required solely in relation to the Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. The Selling Shareholders shall reimburse, only to the extent of the respective portion of the Offered Shares, and as mutually agreed and in accordance with applicable law, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act, 2013 and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholder in relation to itself or the Offered Shares.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Statutory Auditors, the legal counsel, the bankers to our Company, CRISIL, independent chartered engineer, the Independent Chartered Accountant, the Independent Practicing Company Secretary, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Escrow Collection Bank, Public Offer Account Bank, Sponsor Banks, Refund Bank and Monitoring Agency to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI and the Prospectus with the RoC.

Experts

Except as stated below, our Company has not obtained any expert opinions in relation to this Draft Red Herring Prospectus:

Our Company has received a written consent dated August 12, 2024 from M S K A & Associates, Chartered Accountants 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 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated August 9, 2024 on our Restated Consolidated Financial Information and their report dated August 12. 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 12, 2024 from K.C. Khanna & Co., Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as our Previous Statutory and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 12, 2024 from Dewan P.N. Chopra & Co, Chartered Accountants, holding a valid peer review certificate from the ICAI, 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 and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received certificate dated August 11, 2024 ("**ICE Certificate**") from Sapient Services Private Limited, independent chartered engineer (membership number: AM/159095/5) certifying, among other things, the details of the installed capacity and capacity utilization of the products manufactured at our manufacturing units, and consenting to the inclusion of their name 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, to the extent and in their capacity as an independent chartered engineer, in relation to the ICE Certificate and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 10, 2024, from SPG and Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 11, 2024, from M. G. Jindal & Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

There have been no public issues, including any rights issues undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed group companies, subsidiaries and associates

Except as disclosed in "***Capital Structure***" beginning on page 90, our Company has not made any capital issuances during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any associates.

Our Company does not have any listed subsidiaries or any Group Companies.

Performance vis-à-vis Objects – Public/rights issue of our Company

Our Company has not undertaken any public issues, including any rights issues to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects –public/rights issue of subsidiaries/listed promoters

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries. Further, our Company does not have a corporate promoter.

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Price Information of past issues handled by the BRLMs

Axis Capital Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited

Sr. No.	Issue Name	Issue Size (in Millions)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in closing price,[+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price,[+/- % change in closing benchmark]- 180th calendar days from listing
1.	Ola Electric Mobility Limited[(2)#]	61,455.59	76.00	9-Aug-24	91.20	-	-	-
2.	Akums Drugs and Pharmaceuticals Limited[@ (2)]	18,567.37	679.00	6-Aug-24	725.00	-	-	-
3.	Emcure Pharmaceuticals Limited[^(2)]	19,520.27	1,008.00	10-Jul-24	1,325.05	+27.94%, [-0.85%]	-	-
4.	Stanley Lifestyles Limited[(1)]	5,370.24	369.00	28-Jun-24	499.00	+55.96%, [+2.91%]	-	-
5.	Le Travenues Technology Limited[(1)]	7,401.02	93.00	18-Jun-24	135.00	+86.34%, [+4.42%]	-	-
6.	Awfis Space Solutions Limited*[(2)]	5,989.25	383.00	30-May-24	435.00	+34.36%, [+6.77%]	-	-
7.	Go Digit General Insurance Limited[(2)]	26,146.46	272.00	23-May-24	286.00	+22.83%, [+2.32%]	-	-
8.	TBO Tek Limited[(2)]	15,508.09	920.00	15-May-24	1,426.00	+69.94%, [+5.40%]	-	-
9.	Bharti Hexacom Limited[(1)]	42,750.00	570.00	12-Apr-24	755.20	+58.25%, [-2.13%]	+85.03%, [+7.65%]	-
10.	Gopal Snacks Limited[! (1)]	6,500.00	401.00	14-Mar-24	350.00	-18.13%, [+1.57%]	-19.35%, [+4.60%]	-

Source: www.nseindia.com and www.bseindia.com
[(1)]BSE as Designated Stock Exchange
[(2)]NSE as Designated Stock Exchange
[#] Offer Price was ₹ 69.00 per equity share to Eligible Employees
[@] Offer Price was ₹ 615.00 per equity share to Eligible Employees
^ Offer Price was ₹ 918.00 per equity share to Eligible Employees
[*] Offer Price was ₹ 347.00 per equity share to Eligible Employees
[!] Offer Price was ₹ 363.00 per equity share to Eligible Employees

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-2025*	9	2,02,708.29	-	-	-	4	2	1	-	-	-	-	-	-
2023-2024	18	218,638.22	-	-	4	2	6	6	-	-	2	7	4	4
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1

** The information is as on the date of the 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.

ICICI Securities Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (in Millions)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in closing price,[+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price,[+/- % change in closing benchmark]- 180th calendar days from listing
1.	Bharti Hexacom Limited^	42,750.00	570.00	12-Apr-24	755.20	+58.25% [-2.13%]	+85.03% [+7.65%]	NA*
2.	JNK India Limited^^	6,494.74	415.00	30-Apr-24	621.00	+54.47% [+0.44%]	+81.75% [+9.87%]	NA*
3.	Aadhar Housing Finance Limited^^	30,000.00	315.00(1)	15-May-24	315.00	+25.56% [+5.40%]	+33.89% [+9.67%]	NA*
4.	Go Digit General Insurance Limited^^	26,146.46	272.00	23-May-24	286.00	+22.83% [+2.32%]	NA*	NA*
5.	Awfis Space Solutions Limited^^	5,989.25	383.00(2)	30-May-24	435.00	+34.36% [+6.77%]	NA*	NA*
6.	Stanley Lifestyles Limited^	5,370.24	369.00	28-Jun-24	499.00	+55.96% [+2.91%]	NA*	NA*

Sr. No.	Issue Name	Issue Size (in Millions)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in closing price,[+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price,[+/- % change in closing benchmark]- 180th calendar days from listing
7.	Allied Blenders and Distillers Limited^^	15,000.00	281.00(3)	02-Jul-24	320.00	+9.68% [+3.43%]	NA*	NA*
8.	Akums Drugs and Pharmaceuticals Limited^^	18,567.37	679.00(4)	06-Aug-24	725.00	NA*	NA*	NA*
9.	Ceigall India Limited^^	12,526.63	401.00(5)	08-Aug-24	419.00	NA*	NA*	NA*
10.	Ola Electric Mobility Limited^^	61,455.59	76.00(6)	09-Aug-24	76.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange

(1) *Discount of Rs. 23 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 315.00 per equity share*
(2) *Discount of Rs. 36 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 383.00 per equity share*
(3) *Discount of Rs. 26 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 281.00 per equity share*
(4) *Discount of Rs. 64 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 679.00 per equity share*
(5) *Discount of Rs. 38 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 401.00 per equity share*
(6) *Discount of Rs. 7 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 76.00 per equity share*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	10	2,24,300.28	-	-	-	3	2	2	-	-	-	-	-	-
2023-24	28	2,70,174.98	-	-	8	5	8	7	-	1	2	10	5	7
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

Motilal Oswal Investment Advisors Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited

Sr. No.	Issue Name	Designated Stock Exchange	Issue Size (in Millions)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in closing price,[+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price,[+/- % change in closing benchmark]- 180th calendar days from listing
1.	R K Swamy Limited (6)	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	Not applicable
2.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
3.	Cello World Limited (5)	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
4.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]
5.	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30% [+10.15%]
6.	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94% [+12.49%]
7.	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]
8.	Radiant Cash Management Limited	NSE	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	2.23% [-3.75%]	-1.31% [+6.35%]
9.	Tamilnad Mercantile Bank Limited	BSE	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]
10.	Dreamfolks Services Limited	BSE	5,621.01	326.00	September 6, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	+12.94%, [+1.24%]

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 day.*
4. *Not applicable – Period not completed.*
5. *A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited.

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	3
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

** The information is as on the date of the DRHP.*
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 BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

S. No	Name of the BRLMs	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

Stock Market Data of the Equity Shares

This being an initial public offer 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.

Mechanism for Redressal of Investor Grievances

Pursuant to the SEBI ICDR Master Circular, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism, inter alia, in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

Per the circular (No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 as amended pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 issued by the SEBI, ("March 2021 Circular"), SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment. Further, in terms of 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.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original 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

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process, other than of Anchor Investors, 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's DP ID, Client ID, UPI ID (for UPI Bidders), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or the application number duly received from the concerned Designated Intermediary 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.

For helpline details of the Book Running Lead Managers pursuant to March 2021 Circular, see "***General Information – Book Running Lead Managers***" on page [●].

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.

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including 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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the Securities and Exchange Board of India Complaints Redress System ("**SCORES**") and shall comply with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. See "***Our Management – Board Committees – Stakeholders' Relationship Committee***" on page 310.

Our Company has appointed Tarun Kumar, as the Company Secretary and the Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. For details, see "***General Information – Company Secretary and Compliance Officer***" on page 81.

The Selling Shareholders, have authorized the Company to take all actions in respect of the Offer for Sale; and on its behalf in accordance with Section 28 of the Companies Act, 2013.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Further, our Company does not have any listed subsidiaries, as on the date of the Draft Red Herring Prospectus

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

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

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities, issued from time to time, by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the GoI, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, and will rank pari passu in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment and transfer in accordance with applicable law. See "***Main Provisions of the Articles of Association***" beginning on page 502.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, dividend distribution policy of our Company and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. See "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" beginning on pages 320 and 502, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 2 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and published by our Company in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will 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.

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 incurred in the manner specified in "***Objects of the Offer – Offer related expenses***" on page 119.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association, Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" beginning on page 502.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] equity shares of face value ₹ 2 each in accordance with SEBI ICDR Regulations. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 484.

Jurisdiction

Exclusive jurisdiction for the purposes of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

(a) to register himself or herself as holder of Equity Shares; or
(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
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 Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

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

\# *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

BID/OFFER CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/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 ₹ 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 four 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 four 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 circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such period as may be prescribed, with reasonable support and co-operation of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change 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. Our Company shall within such time prescribed by the SEBI, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. 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 of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable co-operation to the Company, as may be required solely in relation to their respective portion of the Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

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 such time as prescribed by the SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the Offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date#	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	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) through UPI as a payment mechanism 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 of QIBs and NIIs)	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 where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories*	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.
* *QIBs and Non-Institutional Investors 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 Investors (other than UPI Bidders), and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

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 3.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/Offer Period. Bidders may please 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. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/Offer Period and revisions shall not be accepted on Saturdays and public holidays.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Offer on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and the SEBI ICDR Master Circular. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest as prescribed under the Companies Act, 2013, SEBI ICDR Regulations and other Applicable Law.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. It is clarified that, subject to applicable laws, the Selling Shareholders shall not be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of the Selling Shareholders.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding of our Company, lock-in of our Promoters' contribution and Anchor Investor lock-in, as detailed in "***Capital Structure***" beginning on page 90 and as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" beginning on page 502, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation or splitting.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchanges.

In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated May 9, 2024 among NSDL, our Company and the Registrar to the Offer; and
- tripartite agreement dated May 17, 2024 among CDSL, our Company and Registrar to the Offer.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed simultaneously.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within such time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company and the Selling Shareholders withdraw the Offer, including after the Bid/Offer Closing Date and thereafter it is determined that the Company will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

OFFER STRUCTURE

The Offer is of up to [●] equity shares of face value of ₹ 2 each at an Offer Price of ₹ [●] per Equity Share for cash aggregating up to ₹ [●] million comprising a Fresh Issue of [●] equity shares of face value ₹ 2 each, aggregating up to ₹ 3,500.00 million by our Company and an Offer of Sale up to 12,636,162 equity shares of face value of ₹ 2 each, aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●] % of the post Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(1) and 31 of the SEBI ICDR Regulations.

Particulars	QIBs(2)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation*(3)	Not more than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million.	Not less than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million.	Not less than [●] equity shares of face value ₹ 2 each aggregating up to ₹ [●] million.
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Offer less allocation to QIB Bidders and RIIs will be available for allocation. One-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and undersubscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not less than 35% of the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] equity shares of face value ₹ 2 each shall be available for allocation on a proportionate basis to Mutual Funds only; b) up to [●] equity shares of face value ₹ 2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; and c) up to [●] equity shares of face value ₹ 2 each may be allocated on a discretionary basis to Anchor Investors.	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. See "***Offer Procedure***" beginning on page 484.
Mode of Bid^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including the UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 2 each such that the Bid Amount exceeds ₹ 200,000 and in	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 2 each such that the Bid Amount exceeds ₹ 200,000 and in	[●] equity shares of face value ₹ 2 each and in multiples of [●] equity shares of face value ₹ 2 each thereafter

Particulars	QIBs[2]	Non-Institutional Investors	Retail Individual Investors
	multiples of [●] Equity Shares thereafter	multiples of [●] equity shares of face value ₹ 2 each thereafter	
Maximum Bid	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 2 each not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 2 each not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 2 each so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] equity shares of face value ₹ 2 each and in multiples of [●] equity shares of face value ₹ 2 each thereafter		
Allotment Lot	[●] equity shares of face value ₹ 2 each and in multiples of one equity share of face value ₹ 2 thereafter.		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds 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 Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[5] **In case of all other Bidders:** Full Bid Amount shall be blocked 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		

* *Assuming full subscription in the Offer.*

^ *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) 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 or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor*

Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company, in consultation with the BRLMs.

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the 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 relevant Bidders should ensure that the depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. 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.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the in the Bid-cum-Application Form for Bidding through 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.

Bids by FPIs with certain structures as described under "***Offer Procedure – Bids by Foreign Portfolio Investors***" on page 490 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.

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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. 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. See "***Terms of the Offer***" beginning on page 474.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SEBI ICDR Regulations, the SCRA, the SCRR. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (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; (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, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019.*

*With effect from July 1, 2019, pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism with the timeline of T+6 days was made applicable for a period of three months or launch of five main board public issues, whichever was later ("**UPI Phase II**"). Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019. Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II until further notice.*

*The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 issued by SEBI.*

Further, the SEBI pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and the master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Selling Shareholders, the BRLMs and the members of the Syndicate do not accept any responsibility and are not liable for any amendment, modification or change in the applicable law which may occur or become applicable 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, 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 one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In case of an undersubscription in the Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by the Selling Shareholders. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●] %, of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised category of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

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 read with press release dated June 25, 2021 and September 17, 2021.

Phased implementation of Unified Payments Interface.

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till

June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediaries and use their UPI ID for the purpose of blocking of funds.

Phase II: This phase was applicable from July 1, 2019 by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II was extended until March 31, 2020. However, due to the outbreak of COVID-2019 pandemic, UPI Phase II was further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Under this phase, submission of the ASBA Form by UPI Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism.

Phase III: This phase was made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. In Phase III, the time duration from public issue closure to listing has been reduced to three Working Days. Accordingly, under Phase III, the reduced time duration has become applicable to the Offer. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 issued by SEBI.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders.

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 Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM(s) will be required to compensate the concerned investor.

NPCI through its circular (NPCI/UPI/OC No. 127/2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI in initial public offerings.

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. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date. 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 the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

Copies of the Anchor Investor Application Form will be available at the office of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) 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.
(ii) QIBs and NIBs (other than NIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The 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 pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors^^	[●]

* *Excluding the electronic Bid cum Application Form.*
^ *Electronic Bid cum Application Form will be made available for download on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com).*
^^ *Bid cum Application Forms for Anchor Investors were made available at the offices of the BRLMs.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with the SEBI RTA Master Circular. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that trading members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹ 500,000 and NII and QIB bids above ₹ 200,000, through SCSBs only.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date until 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. The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

Electronic registration of Bids

- The Designated Intermediaries may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

- 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.

- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 3:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by the Promoters and Members of our Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to BRLMs and the Syndicate Member

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

- Mutual Funds sponsored by entities which are associate of the BRLMs;
- insurance companies promoted by entities which are associate of the BRLMs;
- AIFs sponsored by the entities which are associate of the BRLMs;
- pension funds (registered with the Pension Fund Regulatory and Development Authority Act, 2013) sponsored by entities which are associates of the BRLMs; or
- FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLMs" if:

- 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
- either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Our Promoters and the members of our Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Bids by Hindu Undivided Families ("HUFs")

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Non-resident Indians ("NRIs")

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts. 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 FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant or such other limit as may be stipulated by RBI in each case, from time to time. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian Company in a general meeting. Our Company has, pursuant to a Board resolution dated July 11, 2024 and Shareholders' resolution dated July 12, 2024, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of our Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

Bids by Foreign Portfolio Investors

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- 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.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

For details of investment by FPIs, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 501. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, amongst others, prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations, amongst others, prescribe the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by Self-Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each as amended ("**IRDAI Investment Regulations**"), 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.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 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 subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders 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, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

- Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the office of the BRLMs.
- The Bid must 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.
- One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- Our Company and Selling Shareholders may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be 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.
- Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
- Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs

sponsored by the entities which are associate of the BRLMs or pension funds (registered with the Pension Fund Regulatory and Development Authority Act, 2013) sponsored by entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion.
- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

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 and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

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, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the 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.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

- Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
- UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/Offer Closing Date;
- Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
- Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 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;
- 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;
- Investors must ensure that their PAN is linked with Aadhaar and is in compliance with the Central Board of Direct Taxes notification dated February 13, 2020 bearing notification number 11/2020 and press release dated June 25, 2021.
- 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;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
- Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
- 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.

- Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders) and PAN available in the Depository database;
- In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at h/www.sebi.gov.in);
- Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor 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. In case of UPI Bidders, 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
- Bidders (except UPI Bidders) should instruct their respective banks to ensure the funds are blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorisation of the mandate using their UPI PIN, a 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) issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
- UPI Bidders 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;
- UPI Bidders 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 and subsequent debit of funds in case of Allotment in a timely manner.
- Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
- Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

- Do not Bid for lower than the minimum Bid Lot;
- Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
- Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
- Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
- Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

- Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5,00,000;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not submit the Bid for an amount more than funds available in your ASBA account;
- 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;
- 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;
- 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);
- Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
- Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
- In case of ASBA Bidders (other than UPI Bidders), do not submit more than one Bid cum Application Form per ASBA Account;
- If you are a UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
- Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
- Anchor Investors should not bid through the ASBA process;
- Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
- Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- Do not submit the GIR number instead of the PAN;
- Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
- Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
- If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
- Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder, do not submit the ASBA Form directly with SCSBs;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
- Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
- 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;
- UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
- Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information – Book Running Lead Managers***" on page 82.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information – Company Secretary and Compliance Officer***" on page 81.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in 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 Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIIs, Non-Institutional Investors 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 NII shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The Allotment of Equity Shares to each RII shall not be less than the minimum Bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Account

Our Company, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favor of:

- In case of resident Anchor Investors: "[●]"
- 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 Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Designated Date

The funds from the Escrow Account shall be transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts shall be transferred to the Public Offer Account(s) and/or are unblocked, as applicable on the Designated Date, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located). In the pre-Offer advertisement, our Company shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered and Corporate Office is located).

Signing of the Underwriting Agreement and filing with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of 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 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 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps 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 are taken within such period as may be prescribed under applicable law;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- except for the Fresh Issue, no further issue of the Equity Shares shall be made from the date of this Draft Red Herring Prospectus till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc. other than as disclosed in accordance with the SEBI ICDR Regulations; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, specifically undertakes and/or confirms the following in respect to himself/herself as a Selling Shareholder and the Offered Shares:

- he/she is the legal and beneficial holder and has full title to his/her respective portion of the Offered Shares;
- his/her respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- he/she shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer; and
- he/she shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

Utilization of Offer Proceeds

Our Board, specifically confirms 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, 2013.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Offer, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice within two days from the Bid/Offer Closing Date, or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank(s), as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly by our Company.

If our Company, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within such time period as prescribed under applicable law.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "FDI Circular"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. 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 Circular 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 Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The RBI and the concerned ministry/department are responsible for granting the approval for foreign investment under the FDI Circular and FEMA., Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in the companies engaged in the manufacturing sector.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible Non-resident Indians***" and "***Offer Procedure – Bids by Foreign Portfolio Investors***" on pages 489 and 490, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer 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, 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S 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 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. Bidders are advised to make their independent investigations, seek independent legal advice about its liability to participate in the Issue and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

I. APPLICABILITY OF TABLE F

Except in so far as otherwise expressly incorporated hereinafter, the regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

The regulations for the management of the Company and the observance by the Members thereof shall be such as are contained in these Articles.

PART A

Definitions and Interpretation

1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

   a) "***Act***" means Companies Act, 2013, and the rules framed thereunder, and any amendments, re-enactments or other statutory modifications thereof for the time being in force 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.

   b) "***Annual General Meeting***" means the annual general meeting of the Company convened and held in accordance with the Act.

   c) "***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.

   d) "***Applicable Law***" mean any statute, law, regulation, ordinance, rule, notification, rule of common law, Order, bye-law, government approval, directive, guideline, requirement or other governmental restriction applicable to the jurisdiction of India, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law, by any governmental authority having jurisdiction over the matter in question, as may be amended, modified, enacted or revoked from time to time hereafter.

   e) "***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable time

   f) "***Company***" means METALMAN AUTO LIMITED, a company incorporated under the laws of India and is a public company within the meaning of section 2(71) of the Act.

   g) ***"Depositories Act"*** means the Depositories Act, 1996 or any statutory modification or re- enactment thereof for the time being in force.

   h) "***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 Companies Act, 2013 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.

   i) "***Director***" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with and the provisions of these Articles.

   j) ***"Equity Share Capital"*** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis;

   k) "***Extraordinary General Meeting***" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

l) "***General Meeting***" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

m) "***Member***" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

n) "***Memorandum***" or "***Memorandum of Association***" means the memorandum of association of the Company, as may be altered from time to time;

o) "***Office***" means the registered office, for the time being, of the Company;

p) "***Officer***" shall have the meaning assigned thereto by the Act;

q) "***Ordinary Resolution***" shall have the meaning assigned thereto by the Act;

r) "***Register of Members***" means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

s) "***Securities or Shares***" means all classes of shares in the Share Capital issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and shall for avoidance of doubt include Equity Shares and preference shares;

t) "***Special Resolution***" shall have the meaning assigned thereto by the Act.

2. 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 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, Rs., Re., INR, ₹** are references to the lawful currency of India; and

m) save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

Share capital and variation of rights

3. Subject to the provisions of section 62 of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount and at such time as they may from time to time think fit; and with 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 at discount (subject to the compliance with the provision of section 53 of the Act) 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 up 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.

4. (i) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after incorporation in case of subscribers to the Memorandum or after allotment, or within one month after the application for the registration of transfer or transmission, or sub-division, consolidation or renewal of any of its shares within such other period as per the Act and as the conditions of issue shall be provided—

   (a) one certificate for all his shares of each class or denomination registered in his name, without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

   (ii) Every certificate shall specify the number and distinctive numbers of 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:

   (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

5. 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, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, or subdivision, consolidation or renewal of any of its shares within such period as prescribed under the Act as the case may be, or within a period of six months from the date of allotment in the case of any allotment of debenture or any other period prescribed under applicable law.

6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. 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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of Articles (*2*), (*4*) and (*6*) shall *mutatis mutandis* apply to debentures of the Company.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (i) 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 rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

11. Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of the Company, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of Shares

12. Where at any time the Board or the Company, as the case may be, proposes 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:

a) 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 (i) to (iii) below;

(i) 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 and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice 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;

(ii) 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) above shall contain a statement of this right;

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

(iii) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

b) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under Applicable Law; or

c) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in Article 12(a) or Article 12(b) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made by Central government.

13. Nothing in sub-article (iii) of Article 12 shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares compromised in the renunciation.

14. Nothing in Article 12 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

15. Notwithstanding anything contained in Article 14 hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct thatsuch debentures or loans or any part thereof shall be converted into shares in the Companyon 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 suchloans 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 theCompany, it may, within sixty days from the date of communication of such order, appealto National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Term of Issue of Debentures:

16. Any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Lien

17. The Company shall, subject to applicable law, have a first and paramount lien—

(a) upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share/ 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 payable and bonuses declared from time to time in respect of such shares/ debentures.

(b) 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.

Provided that the Board of Directors may at any time declare any shares/debentures to wholly or in part exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

19. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

21. (i) The Board may, from time to time, make calls upon the Members in respect of any monies

unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

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(ii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

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22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. (i) The Directors may, if they think fit, subject to the provisions of section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(ii) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(iii) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

25. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

26. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Board—

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance. 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 Board of Directors may at any times repay the amount so advanced.

The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities, including the calls of debentures, of the Company.

Transfer of shares

28. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

29. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

30. The Company shall keep a "register of transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

31. The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

32. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

33. On giving not less than seven days' previous notice or such lesser period as may be specified in such manner in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

34. (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

35. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent Member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.

36. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

37. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

38. Subject to the provisions of section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reason whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Member in or debentures of the Company. The Company shall within 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 a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the 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. 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.

Forfeiture of shares

40. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

41. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

42. 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.

43. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

44. (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

45. (i) A duly verified declaration in writing that the declarant is a Director, the manager or the Company Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

46. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

47. 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.

48. Subject to the provisions of section 61 of the Act, the Company may, by Ordinary Resolution:—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

49. 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 regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(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 regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

50. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

Capitalisation of profits

51. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such Members respectively;

(B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

52. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such Members.

Buy-back of shares

53. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified Securities.

General meetings

54. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

55. (i) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, Directors present in majority in India collectively or upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the paid up Share Capital of the Company as on that date carries the right of voting may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

56. (i) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in section 103 of the Act.

57. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

58. 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.

59. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

Adjournment of meeting

60. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

61. Subject to any rights or restrictions for the time being attached to any class or classes of shares:—

(a) on a show of hands, every Member present in person shall have one vote; and

(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

62. 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.

63. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

64. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

65. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

66. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

67. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

68. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

69. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

70. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

71. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

72. Directors of the Company does not require to hold any qualification share in the Capital of the Company.

73. The following were the first Directors of the Company:

(i) Mr. Bikramjit Bembi
(ii) Mr. Navneet Jairath

74. *(i)* The Directors may be entitled to such remuneration as the Board may from time to time determine subject to the provisions of the Act. The Directors may be paid sitting fees as the Board may from time to time determine in accordance with the Act. The Directors may be paid all sitting fees, travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings in connection with discharge of their duties.The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

(b) in connection with the business of the Company.

75. The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

76. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

77. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

78. **Appointment of Director**

(i) 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.

The Director so appointed shall hold office only upto the date till which the Director in whose place he is appointed would have held office if it had not been vacated.

(ii) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.

(iii) 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 the Act or any other law, as may be applicable.

(iv) The Directors (excluding the independent Directors) shall be liable to retire by rotation in accordance with the provisions of the Act.

(v) Subject to the provisions of section 149 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.
Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Proceedings of the Board

79. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

80. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

81. Quorum for a meeting of the Board shall be as prescribed under the Act. If the meeting is not quorate, the meeting shall be adjourned to the same time and place in the next week and if that day is not a business day to the immediately succeeding business day. Not less than three business days' notice or such shorter notice as may be decided by the Chairman of the Board shall be given for any adjourned meeting. If the quorum, as above, is not present at such adjourned board meeting, the Directors present shall constitute valid quorum, provided that the number of Directors required to constitute quorum under the Act are present at such adjourned meeting.

82. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

83. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

84. Subject to these Articles, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercisable all or any of the authorities, powers and directions for the time being vested in or exercised by Directors, including power to appoint additional and alternate Directors as per provisions of the Act.

85. No resolution shall be deemed to have been duly passed by the Board by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors and alternate Directors, if any, and has been approved in writing by them or by a majority of such of them as are entitled to vote on the resolution.

86. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

87. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

88. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

89. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a director.

Appointment of Managing Directors/Whole-time Directors

90. The Managing Director and Whole-time Director of the Company shall be appointed by the Board at its meeting in accordance with the provisions of the Act.

91. **Powers of Managing Director**

a. The Managing Director shall be responsible for and in control of the day- to-day affairs, policy and management of the company, not including policy decisions relating to the budget and future expansion of the business, and shall have such powers and duties as delegated by the Board from time to time.

b. Subject to the provisions of the Act, the Board may from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these presents or other provisions of law as they may think fit and confer such powers for such time and to be exercised for such objects and purposes upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf as may be permissible under the provisions of law and subject to the provisions of any contract which, the Managing Director may from time to time revoke withdraw alter or vary all or any of such powers subject to the provisions of the Act, no Director shall be disqualified from contracting with the Company or holding any office or place of profit under the Company.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

92. Subject to the provisions of the Act:—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

93. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

94. **Directors' and others' right indemnity**

(a) Subject to the provisions of the Act every Director and Officer of the Company shall be indemnified by the Company and it shall be the duty of Director to payout of funds of the Company all costs, losses and expense (including traveling expenses) which any such Director, officer employee may incur or become liable to by reason of any contract or deed entered into by him as such Director, officer or servant in any way in the discharge of his duties.

(b) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other officers or employees of the Company shall be indemnified 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 connection with any application under the Act in which relief is given to him by the Court.

(c) Subject to the provisions of the Act, no Director or Directors or other officer of the Company shall be liable for the acts, receipts or defaults of any other Director or officer for joining in any receipts or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by the Directors for and on behalf of the Company or for insufficiency or deficiency of any security in or upon which any of the Company's investment or for any loss arising from the bankruptcy insolvency or tortuous act of any person, company or corporation with whom any money, securities or effects shall be entrusted or deposited or despite or for any loss occasioned by any error of judgment or oversight on his part of any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

Dividends and Reserve

95. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

96. 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.

97. 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.

98. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable

for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(iii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

99. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

100. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

101. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

102. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

103. 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.

104. No dividend shall bear interest against the Company.

105. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account"

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

(iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Accounts

106. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

(ii) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

Winding up

107. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other Securities whereon there is any liability.

Secrecy Clause

108. Subject to the provisions of the Act, No member shall be entitled to visit or inspect any works of the Company without the permission of the Director or Managing Director or the officer authorised by the Director to grants such permission or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any details of the Company's business or trading of any other matter which is or may be in the nature of a trade or secret mystery of trade secret process or which may relate to the conduct of business of the Company and which, in the opinion of the Managing Director or the Directors, will be expedient in the collective interest of the members of the Company to communicate to the public or any member.

Indemnity

109. Every Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and subsisting contracts (not being contracts entered into in the ordinary course of business carried on by our Company and includes contracts entered into until the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These documents and contracts, copies of which will be attached to the copy of the Red Herring Prospectus and the Prospectus and filed with the RoC, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 am to 5.00 pm on Working Days and on the website of the Company at www.metalmanauto.com/investors/ from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such contracts and documents that will be executed subsequent to the completion of the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer Agreement dated August 12, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated August 12, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.

6. Monitoring Agency Agreement dated [●] entered into among our Company and the Monitoring Agency.

7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.

2. Certificates of incorporation dated May 16, 1986, April 25, 1991, January 3, 2000, August 31, 2016 and fresh certificate of incorporation dated July 3, 2024 issued pursuant to conversion from a private to a public company.

3. Resolution of the Board of Directors dated July 26, 2024, approving the Offer and other related matters.

4. Resolution of the Board of Directors dated August 9, 2024 approving this Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.

5. Our IPO Committee has on August 12, 2024 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

6. Certificate dated August 12, 2024 from Dewan P.N. Chopra & Co, Chartered Accountants, certifying the key performance indicators of our Company.

7. Resolution of the Audit Committee dated August 9, approving key performance indicators of our Company.

8. Consent letters issued by the Selling Shareholders for participation in the Offer for Sale as follows:

S. No.	Name of the Selling Shareholders	Date of Consent Letter
1.	Bikramjit Bembi	August 12, 2024
2.	Navneet Jairath	August 12, 2024
3.	Sachin Bembi	August 12, 2024
4.	Nishant Jairath	August 12, 2024
5.	Sonia Bembi Seth	August 12, 2024
6.	Nisha Jairath	August 12, 2024
7.	Savita Bembi	August 12, 2024
8.	Navita Jairath	August 12, 2024

9. Copies of annual reports of our Company for the last three Financial Years, i.e., Financial Year 2024, Financial Year 2023 and Financial Year 2022.

10. Report on statement of possible special tax benefits dated August 12, 2024 from M S K A & Associates, our statutory auditors, available to our Company and its Shareholders, as included in this Draft Red Herring Prospectus.

11. Report on statement of possible special tax benefits dated August 12, 2024 from Dewan P N Chopra & Co, Chartered Accountants, statutory auditors of Metalman Micro Turners, available to Metalman Micro Turners, as included in this Draft Red Herring Prospectus.

12. The examination report from our Statutory Auditors dated August 9, 2024 on the Restated Consolidated Summary Statements.

13. Consent dated August 12, 2024 from M S K A & Associates, Chartered Accountants 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 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated August 9, 2024 on our Restated Consolidated Financial Information and their report dated August 12, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

14. Consent dated August 12 from Dewan P. N. Chopra & Co, 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, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them on certain financial and operational information included in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

15. Consent dated August 10, 2024, from SPG and Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

16. Consent dated August 11, 2024, from M. G. Jindal & Associates, to include their name as an Independent Practicing Company Secretary and as an "expert" as defined under Section 2(38) of the Companies Act, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

17. Certificates dated August 12, 2024 issued by Dewan P. N. Chopra & Co, Chartered Accountants issued in relation to: (a) financial indebtedness; (b) outstanding dues to creditors; (c) basis of offer price; and (d) weighted average price and cost of acquisition of Equity Shares by each of the Promoter Selling Shareholder and the Selling Shareholders.

18. The independent chartered engineer, namely Sapient Services Private Limited (membership number: membership number: AM/159095/5) have pursuant to their certificate dated August 11, 2024 ("**ICE Certificate**") given consent to our Company 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, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an independent chartered engineer, in relation to the ICE certificate certifying, *inter alia*, the details of the existing installed production capacity and the capacity utilization of our manufacturing plants and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

19. Consents of the Selling Shareholders, our Directors, Bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Syndicate Members, legal counsels, Company Secretary and Compliance Officer of our Company, independent practising company secretary, to act in their respective capacities.

20. Deed of Partnership dated March 29, 2023, between Sachin Kapoor, Bindiya Narang, Sachin Bembi, Nishant Jairath and our Company.

21. Industry report titled "Assessment of market potential for metal & associated components in automotive market" dated August 12, 2024 prepared by CRISIL, commissioned and paid for by our Company exclusively in connection with the Offer, and consent letter dated August 10, 2024 issued by CRISIL in this regard.

22. Tripartite Agreement dated May 9, 2024, among our Company, NSDL and the Registrar to the Offer.

23. Tripartite Agreement dated May 17, 2024, among our Company, CDSL and the Registrar to the Offer.

24. Due diligence certificate to SEBI from the BRLMs, dated [●], 2024.

25. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

26. SEBI final observation letter number [●] dated [●].

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 with the provisions contained in the Companies Act, 2013 and other applicable law.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Bikramjit Bembi
(Chairman and Whole-Time Director)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Navneet Jairath
(Managing Director)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sachin Bembi
(Whole-Time Director)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Nishant Jairath
(Whole-Time Director)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shrikant Gulabchand Mundada
(Whole-Time Director)

Date: August 12, 2024

Place: Aurangabad, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sushil Kumar Singh
(Independent Director)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajnish Magan
(Independent Director)

Date: August 12, 2024

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Anadi Saran Pande
(Independent Director)

Date: August 12, 2024

Place: Hyderabad, Telangana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajan Wadhera
(Independent Director)

Date: August 12, 2024

Place: Mumbai, Maharashtra

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Neetika Batra
(Independent Director)

Date: August 12, 2024

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Ajay Kumar Dubey
(Chief Financial Officer)

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Bikramjit Bembi, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

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Bikramjit Bembi

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Navneet Jairath, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

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Navneet Jairath

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Sachin Bembi, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

Sachin Bembi

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Nishant Jairath, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

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Nishant Jairath

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Sonia Bembi Seth, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

Sonia Bembi Seth

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Nisha Jairath, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

Nisha Jairath

Date: August 12, 2024

Place: Richmond, USA

DECLARATION BY SELLING SHAREHOLDER

I, Savita Bembi, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

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Savita Bembi

Date: August 12, 2024

Place: New Delhi, Delhi

DECLARATION BY SELLING SHAREHOLDER

I, Navita Jairath, hereby confirm that all statements, disclosures 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 the Equity Shares being offered by me in the Offer for Sale, 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 Shareholders(s) or any other person(s) in this Draft Red Herring Prospectus.

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Navita Jairath

Date: August 12, 2024

Place: New Delhi, Delhi