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

RED HERRING PROSPECTUS
Dated September 2, 2024
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

KROSS LIMITED

CORPORATE IDENTITY NUMBER: U29100JH1991PLC004465

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur - 832108, Jharkhand, India	Debolina Karmakar *Company Secretary and Compliance Officer*	**E-mail:** investors@krossindia.com **Telephone:** +91 0657 2203812	www.krosslimited.com

PROMOTERS OF OUR COMPANY: SUDHIR RAI, ANITA RAI, SUMEET RAI AND KUNAL RAI

DETAILS OF OFFER TO THE PUBLIC

TYPE OF OFFER	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs & RIBs
Fresh Issue and Offer for Sale	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 5,000.00 million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please refer to the section titled "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 347. For details in relation to the share reservation among QIBs, RIBs, Non-Institutional Bidders, please refer to the section titled "*Offer Structure*" on page 366.

DETAILS OF THE OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES (IN ₹ PER EQUITY SHARE)*
Sudhir Rai	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 1,680.00 million	1.91
Anita Rai	Promoter Selling Shareholder	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 820.00 million	1.69

**As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5 each. The Offer Price, Floor Price and Price Band as determined by our Company, in consultation with the BRLM, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 128 in accordance with the SEBI ICDR Regulations, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 27.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGER

NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	TELEPHONE AND E-MAIL
Equirus Capital Private Limited	Malay Shah/ Mrunal Jadhav	**Tel**: +91 22 4332 0734 **E-mail:** kross.ipo@equirus.com

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
KFin Technologies Limited	M. Murali Krishna	**Tel**: +91 40 6716 2222 **E-mail**: krosslimited.ipo@kfintech.com

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD*	Friday, September 6, 2024	**BID/OFFER OPENS ON***	Monday, September 9, 2024	**BID/OFFER CLOSES ON#**	Wednesday, September 11, 2024

**Our Company, in consultation with the BRLM, 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.*

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

RED HERRING PROSPECTUS
Dated September 2, 2024
100% Book Built Offer

KROSS LIMITED

Our Company was incorporated as "Kross Manufacturers (India) Private Limited", as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 9, 1991, issued by the Registrar of Companies, Bihar at Patna. Thereafter, the Registered Office of our Company was changed from 214, Ashiana Centre Adityapur, Jamshedpur – 831013 to M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108, Jharkhand, India. Subsequently, the name of our Company was changed from "Kross Manufacturers (India) Private Limited" to "Kross Private Limited" pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated September 26, 2016. Further, the name of our Company was changed upon conversion from a private limited company "Kross Private Limited", to a public limited company "Kross Limited" pursuant to a special resolution passed by our shareholders on January 13, 2017 and a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated January 17, 2017. For further details of change in name and Registered Office of our Company, please refer to the section titled "*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 228.

Corporate Identity Number: U29100JH1991PLC004465
Registered Office and Corporate Office: M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108, Jharkhand, India
Contact Person: Debolina Karmakar, Company Secretary and Compliance Officer; **Tel**: +91 0657 2203812
E-mail: investors@krossindia.com; **Website**: www.krosslimited.com

OUR PROMOTERS: SUDHIR RAI, ANITA RAI, SUMEET RAI AND KUNAL RAI

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 5,000.00 MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH BY OUR COMPANY AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "OFFERED SHARES") AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AGGREGATING UP TO ₹ 1,680.00 MILLION BY SUDHIR RAI , UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AGGREGATING UP TO ₹ 820.00 MILLION BY ANITA RAI (THE "PROMOTER SELLING SHAREHOLDERS"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH. THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL NEWSPAPER, EACH WITH WIDE CIRCULATION, AND JAMSHEDPUR EDITION OF UTKAL MAIL, A HINDI DAILY NEWSPAPER WITH WIDE CIRCULATION IN JHARKHAND (HINDI ALSO BEING THE REGIONAL LANGUAGE OF JHARKHAND WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, "**QIB Portion**") provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the 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 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 QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, please refer to the section titled "*Offer Procedure*" on page 370.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for Equity Shares. The face value of the Equity Shares is ₹ 5 each. The Offer Price, Floor Price and Price Band determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 128, in accordance with the SEBI ICDR Regulations, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 27.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters, each dated March 1, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus has been filed with the RoC and a signed copy of the Prospectus will be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/ Offer Closing Date, please refer to the section titled "*Material Contracts and Documents for Inspection*" on page 417.

BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
equirus	KFINTECH EXPERIENCE TRANSFORMATION
12th Floor, C Wing, Marathon Futurex N M Joshi Marg, Lower Parel Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4332 0734 **E-mail:** kross.ipo@equirus.com **Website:** www.equirus.com **Investor grievance e-mail:** investorsgrievance@equirus.com **Contact person:** Malay Shah/ Mrunal Jadhav **SEBI Registration No.:** INM000011286	KFin Technologies Limited Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: krosslimited.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person**: M.Murali Krishna **SEBI registration no.:** INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON	Monday, September 9, 2024*	**BID/OFFER CLOSES ON**	Wednesday, September 11, 2024#

**Our Company, in consultation with the BRLM, 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, that is Friday, September 6, 2024.*
#UPI mandate end time and date shall be at 5:00 p.m. on the Bid/ Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified from time to time, under such provisions.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the same meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made in each such Acts or Regulations. Further, the Offer related terms used but not defined in this 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, the definitions given below shall prevail.

Notwithstanding the foregoing, terms in the sections titled "Industry Overview", "Our Business", "Key Regulations and Policies in India", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Information", "Outstanding Litigation and Other Material Developments", "Offer Procedure", and "Main Provisions of Articles of Association" beginning on pages 144, 195, 223, 128, 228, 253, 335, 370 and 394 will have the meaning ascribed to such terms in these respective sections.

General terms

Term	Description
"our Company", "the Company" or "the Issuer"	Kross Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur - 832108, Jharkhand, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
Articles of Association/ AoA	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company as described in the section titled "*Our Management – Committees of our Board – Audit Committee*" on page 238
Auditors/ Statutory Auditors	The current statutory auditors of our Company, namely, M/s S.K. Naredi & Co., Chartered Accountants
Board/ Board of Directors	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
Chairman and Managing Director	The chairman and managing director of our company, namely Sudhir Rai
Chartered Engineer	The independent chartered engineer appointed by our Company, being Shyam Sundar Bhartia
Chief Financial Officer	The chief financial officer of our Company, being Kunal Rai
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Debolina Karmakar
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company as described in the section titled "*Our Management – Committees of our Board – Corporate Social Responsibility Committee*" on page 242
CRISIL	CRISIL Limited
CRISIL Report or Industry Report	Report titled "*Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment*" dated August 2024, prepared and issued by CRISIL Market Intelligence & Analytics (MI&A), a division of CRISIL, which has been commissioned and paid for by our Company in connection with the Offer for an agreed fee, pursuant to the engagement letter dated August 11, 2023 entered into between our Company and CRISIL. The Report shall be available on the website of our Company, at, www.krosslimited.com, from the date of this Red Herring Prospectus till the Bid/ Offer Closing Date
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 5 each

Term	Description
Executive Directors	Whole-time directors and Managing Director of our Company. For further details of the Executive Directors, please refer to the section titled "*Our Management – Board of Directors*" on page 232
Group Company	Our group company as identified and disclosed in section titled "*Our Group Company*" beginning on page 344
Independent Director(s)	Non-executive independent director(s) on our Board. For details of the Independent Directors, please refer to the section titled "*Our Management – Board of Directors*" on page 232
IPO Committee	The IPO committee of our Company as described in the section titled "*Our Management – Committees of our Board – IPO Committee*" on page 244
Key Managerial Personnel	Key managerial personnel of our Company in terms of the Companies Act and the SEBI ICDR Regulations and as disclosed in the section titled "*Our Management – Key Managerial Personnel*" on page 244
Materiality Policy	The materiality policy adopted by our Board dated August 20, 2024, for identification of: (a) material outstanding litigation proceedings of our Company, Promoters and Directors; (b) outstanding litigation proceedings of our Group Company; and (c) outstanding dues to material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus and the Prospectus
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company as described in the section titled "*Our Management – Committees of the Board – Nomination and Remuneration Committee*" on page 240
Non-Executive Director	Non-executive director(s) on our Board appointed as per the Companies Act and the SEBI Listing Regulations as described in the section titled "*Our Management – Board of Directors*" on page 232
Preference Shares	Preference shares of our Company of face value of ₹ 10 each
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, please refer to the section titled "*Our Promoters and Promoter Group – Promoter Group*" on page 250
Promoter Selling Shareholders	Sudhir Rai and Anita Rai
Promoter(s)	Promoters of our Company namely, Sudhir Rai, Anita Rai, Sumeet Rai and Kunal Rai. For details, please refer to the section titled "*Our Promoters and Promoter Group*" on page 247
Registered Office/ Registered and Corporate Office	Registered and corporate office of our Company located at M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108, Jharkhand, India
Registrar of Companies/ RoC	Registrar of companies, Jharkhand at Ranchi
Restated Financial Information	The restated financial information of our Company, comprising the restated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statements of profit and loss (including other comprehensive income), the restated statements of cash flows and the restated statements of changes in equity for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the notes and schedules thereon, prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, as amended, to the extent applicable with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI
Risk Management Committee	The risk management committee of our Company as described in the section titled "*Our Management – Committees of the Board – Risk Management Committee*" on page 243
Senior Management	Senior managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in the section titled "*Our Management – Senior Management*" on page 245
Shareholders	Shareholders of our Company from time to time
Specified Securities	Equity shares and convertible securities
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company as described in the section titled "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 241

Offer related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Promoter Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to all Bidders who have bid in the offer after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹ 100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bidding Date, in terms of this Red Herring Prospectus. The Anchor Investor Allocation Price shall be determined by our Company, in consultation with the BRLM, during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in accordance with the requirements specified under the SEBI ICDR Regulations and this Red Herring Prospectus
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted prior to and after which the BRLM will not accept any Bids from Anchor Investor and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this 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 BRLM
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 BRLM 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 Anchor Investor Allocation Price
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by Bidders (other than Anchor Investors) to make a Bid and authorising an SCSB to block the Bid Amount in the 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 UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form, which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism, to the extent of the Bid Amount of the ASBA Bidder
ASBA 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, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Banks, as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in the section titled "*Offer Procedure*" on page 370
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations

Term	Description
	as per the terms of this Red Herring Prospectus and the Bid Cum Application Form. The term "Bidding" shall be construed accordingly
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 September 11, 2024, which shall be published in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located), which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published. In case of any revision, the extended Bid/ Offer Closing shall also be notified on the websites and terminals of the Members of the Syndicate as required under the SEBI ICDR Regulations and also intimated to the Designated Intermediaries and the Sponsor Bank(s)
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being September 9, 2024, which shall be published in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located), and in case of any revisions, the extended Bid/ Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Member and also intimated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations
Bid/ Offer Period	Except in relation to any Bids received from Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of this Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIB and mentioned in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] equity shares of face value ₹ 5 each and in multiples of [●] equity shares of face value ₹ 5 each thereafter
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, and includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM/ Book Running Lead Manager	The book running lead manager to the Offer namely, Equirus Capital Private Limited
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where 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, www.bseindia.com and www.nseindia.com, as updated from time to time.
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Successful Anchor Investors, who have been allocated the Equity Shares, on/ after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap

Term	Description
	Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement dated August 21, 2024 entered into amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLM, the Syndicate Member(s), the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts, transfer of funds to the Public Offer Accounts, and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number of the Bidder's beneficiary account maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant(s)/ CDP(s)	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 the UPI Circulars, issued by SEBI and the Stock Exchanges, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars
Cut-off Price	The Offer Price, finalized by our Company, in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, bank account details and UPI ID wherever applicable
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Designated Branches of the SCSBs	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI 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
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of a UPI Bidder, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or are unblocked, as the case may be, in terms of this Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer
Designated Intermediaries	Collectively, the Members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer In relation to ASBA Forms submitted by RIBs and Non-Institutional Bidders Bidding with an application size of up to ₹ 0.50 million (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, Registered Brokers, CDPs, SCSBs and RTAs In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
Designated RTA Locations	Such centres of the RTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms, and in case of UPI Bidders only ASBA Forms with UPI. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	NSE
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated November 30, 2023, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars, including of the Offer Price and the size of the Offer
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares
Escrow Account	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/ NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being HDFC Bank Limited
First Bidder	Bidder whose name appears first 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, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	The fresh issue of up to [●] equity shares of face value ₹ 5 each by our Company aggregating up to ₹ 2,500.00 million, to be issued by our Company as part of the Offer, in terms of this Red Herring Prospectus and the Prospectus
Fugitive Economic Offender	A fugitive economic offender as defined under Section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 2(1)(p) of the SEBI ICDR Regulations
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/ HO/ CFD/ DIL1/ CIR/ P/ 2020/ 37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Gross Proceeds	The Offer proceeds from the Fresh Issue
Minimum NIB Application Size	Bid Amount of more than ₹ 0.20 million in the specified lot size
Monitoring Agency	India Rating and Research Private Limited
Monitoring Agency Agreement	Agreement dated August 22, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or [●] equity shares of face value ₹ 5 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 Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer expenses to the extent applicable to the Fresh Issue For further information about use of the Offer Proceeds and the Offer expenses, please see the section entitled "*Objects of the Offer*" 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 Bidders/ NIBs	All Bidders that are not QIBs (including Anchor Investors) and Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer comprising [●] equity shares of face value ₹ 5 each which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million;

Term	Description
	(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 1.00 million: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indians (NRIs), FPIs and FVCIs
Offer	The initial public offering of up to [●] equity shares of face value ₹ 5 each for cash at a price of ₹ [●] each (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 5,000.00 million, comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated November 30, 2023 read with the amendment to the offer agreement dated August 22, 2024, entered into amongst our Company, the Promoter Selling Shareholders and the BRLM, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million by Promoter Selling Shareholders to be offered for sale pursuant to the Offer in terms of this Red Herring Prospectus and the Prospectus. For further information, please see the section entitled "*The Offer*" on page 71
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company, in consultation with the BRLM, in terms of this Red Herring Prospectus on the Pricing Date Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholders. For further information about use of the Offer Proceeds, please refer to the section titled "*Objects of the Offer*" beginning on page 107
Offered Shares	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million by the Promoter Selling Shareholders
Price Band	Price Band of the Floor Price and the Cap Price including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located) along with the relevant financial ratios calculated at the Floor price and at the Cap Price. It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company, in consultation with the BRLM, shall finalize the Offer Price
Promoters' Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of eighteen months from the date of Allotment
Prospectus	The prospectus of our Company to be filed with the RoC for this Offer 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 that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account Bank	The bank with which the Public Offer Account(s) has been opened and maintained for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) opened under Section 40(3) of the Companies Act, 2013 with the Public Offer Account Bank(s) to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date

Term	Description
QIB Category/ QIB Portion	The portion of the Offer, being not more than 50% of the Offer or [●] equity shares of face value ₹ 5 each to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM, subject to valid Bids being received at or above the Offer Price)
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus	This red herring prospectus dated September 2, 2024, issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer, including any addenda or corrigenda thereto This Red Herring Prospectus has been filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) has been opened, in this case being HDFC Bank Limited
Registered Brokers	Stockbrokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLM and the Syndicate Member and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI and the Stock Exchanges
Registrar Agreement	The agreement dated November 29, 2023 entered into amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents/ RTAs	Registrars to an issue 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 the Stock Exchanges, and the UPI Circulars
Registrar to the Offer/ Registrar	KFin Technologies Limited
Retail Individual Bidder(s)/ RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] equity shares of face value ₹ 5 each which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
Self-Certified Syndicate Bank(s)/ SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the 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 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the 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 may be prescribed and updated by SEBI from time to time In accordance with the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, issued by SEBI, UPI Bidders using UPI Mechanism may apply through the SCSBs and mobile applications (apps) whose name appears on the SEBI website. The said list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
Share Escrow Agent	KFin Technologies Limited

Term	Description
Share Escrow Agreement	Agreement dated August 21, 2024 entered into amongst the Promoter Selling Shareholders, our Company and a share escrow agent, in connection with the transfer of the respective portion of Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from the Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	The Bankers to the Offer registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and/or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being HDFC Bank Limited and Axis Bank Limited
Stock Exchanges	Collectively, NSE and BSE
Syndicate/ Members of the Syndicate	Collectively, the BRLM and the Syndicate Member
Syndicate Agreement	Agreement dated August 21, 2024 entered into amongst the BRLM, the Syndicate Member, our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Equirus Securities Private Limited
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company, the Promoter Selling Shareholders and the Registrar to the Offer to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion; and (iii) Non- Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 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/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 number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022 , SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard as updated from time to time
UPI ID	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

Term	Description
	In accordance with the 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/P/CIR/P/2022/45 dated April 5, 2022 UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day	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 term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Conventional and general terms or abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
AGM	Annual general meeting of shareholders under the Companies Act
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
AS/ Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIFs	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIFs	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act/ Companies Act, 2013	Companies Act, 2013, as amended, together with the rules thereunder
Companies Act, 1956	Erstwhile Companies Act, 1956 and the rules thereunder
COVID-19	The novel coronavirus disease, which is an infectious disease caused by a newly discovered coronavirus strain that was discovered in 2019 resulting in a public health emergency of international concern and a pandemic as declared by the World Health Organization on January 30, 2020 and pandemic on March 11, 2020
CPC	Code of Civil Procedure, 1908, as amended
Demat	Dematerialised
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended
EPS	Earnings Per Share

Term	Description
Equirus	Equirus Capital Private Limited
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
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
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
Financial Year/ Fiscal/ fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI/ Government/ Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
Income Tax Act/ IT Act	The Income-tax Act, 1961, as amended
Ind AS	Indian Accounting Standards
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
MCA	Ministry of Corporate Affairs
MSMEs	Micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on net worth
RTGS	Real Time Gross Settlement

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/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, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Social Security Code	Code on Social Security, 2020
State Government	Government of a State of India
STT	Securities Transaction Tax
Systemically Important NBFCs	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction and collection account number
U.S./ USA/ United States	United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Year/ Calendar year/ CY	Unless the context otherwise requires, shall mean the twelve-month period ending December 31

Technical, industry and business related terms/ abbreviations

Term	Description
3D	Three dimensional
BTKM	Billion tonne-kilometre
CED Plant	Cathodic electro-disposition plant
CMM	Coordinate measuring machines
CNC	Computer numerical control
CVs	Commercial Vehicle
DFCs	Dedicated freight corridors
FEA	Finite element analysis
GVA	Gross value added
HMC	Horizontal machining center
IIP	Index of Industrial Production
M&HCV/MHCV	Medium and heavy commercial vehicles
MT	Metric tonne
OEMs	Original equipment manufacturers
PTO	Power take-off
RFQ	Request for quote

T	Tonne
Unit I	The manufacturing facility of our Company located at M-4, Phase-VI, Adityapur Industrial Area, Jamshedpur
Unit II	The manufacturing facility of our Company located at C-78, Phase-III, Adityapur Industrial Area, Jamshedpur
Unit III	The manufacturing facility of our Company located at B-30& 31, Phase-III, Adityapur Industrial Area, Jamshedpur
Unit IV	The manufacturing facility of our Company located at M-2(P), Phase-IV, Adityapur Industrial Area, Jamshedpur
Unit V	The manufacturing facility of our Company located at NS-06,M-2(P), Phase- V, Adityapur Industrial Area, Jamshedpur
VMC	Vertical Milling Machine

Financial and operational Key Performance Indicators

Key Performance Indicators	Description, Rationale and Assumptions for the KPI
Revenue from operations (₹ million)	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of the business.
Growth in revenue from operations (%)	Growth in Revenue from Operations provides information regarding the growth of the business for the respective period.
Gross Profit (₹ million)	Gross Profit provides information regarding the value addition by our Company (including its profits) over material cost on sale of products and services by our Company.
Gross Margin (%)	Gross Margin (%) is an indicator of the value addition by our Company (including its profits) over material cost on sale of products and services by our Company.
EBITDA (₹ million)	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.
Restated Profit for the Year (₹ million)	Restated Profit for the year provides information regarding the overall profitability of the business.
Profit after tax Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Return on Equity ("RoE") (%)	RoE provides how efficiently our Company generates profits from shareholders' funds
Return on Capital Employed ("RoCE") (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Debt/Total Net Worth (in times)	Debt to Total Net worth Ratio is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our equity position. It helps evaluate our financial leverage.
Gross fixed assets turnover ratio (in times)	Gross fixed assets turnover ratio measures the efficiency of our fixed assets (property, plant and equipment) in generating revenue.
Revenue from sale of products and services split between domestic and exports (₹ million and %)	This metric enables our Company to track the progress of revenue from sale of products and services from domestic and exports.

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

Certain conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "US", "USA" or "United States" are to the United States of America, together with its territories and possessions.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("**IST**").

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

Financial data

Unless the context requires otherwise or as otherwise stated, the financial information in this Red Herring Prospectus is derived from our Restated Financial Information, as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprising the restated statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated statements of profit and loss (including other comprehensive income), the restated statements of cash flows and the restated statements of changes in equity for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the notes and schedules thereon, prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and included in the section titled "*Restated Financial Information*" on page 253.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 195 and 305 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in the sections titled "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 27, 144 and 195 respectively.

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this 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, US GAAP and IFRS, please refer to the section titled "*Risk Factors – Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to investors' assessment of our financial condition*" on page 69. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources. In this Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row; any such discrepancies are due to rounding off.

Non-GAAP measures

Certain measures like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA presented in this Red Herring Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures, are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate these Non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Currency and units of presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.
- "Euro" or "EUR" or "€" are to Euro, the official currency of the European Union.

Our Company has presented all numerical information in this Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

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

Exchange rates

This 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.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2024 (₹)	As on March 31, 2023 (₹)	As on March 31, 2022 (₹)
1 USD	83.37	82.22	75.81
1 Euro	90.22	89.61	84.66

(Source: www.fbil.org.in)

Note: If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed

Industry and market data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus, including in the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" *and* "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 144, 195 and 305, respectively, has been obtained or derived from the report titled "*Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment*" dated August 2024 prepared and issued by CRISIL Limited, commissioned and paid for by our Company, exclusively in connection with the Offer which will be available on the website of our Company at www.krosslimited.com ("**CRISIL Report**") from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date. CRISIL has, pursuant to their consent letter dated August 20, 2024 ("**Letter**") accorded their no objection and consent to use the CRISIL Report in connection with the Offer. Further, CRISIL Limited has, pursuant to the Letter also confirmed that it is an independent agency and has no conflict of interest while issuing the CRISIL Report, and that it does not have any direct/ indirect interest in or relationship with our Company, our Promoters, our Directors or Key Managerial Personnel or Senior Management or the Book Running Lead Manager. CRISIL was appointed by our Company pursuant to the engagement letter dated August 11, 2023.

Although the industry and market data used in this Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" on page 27. Accordingly, investment decisions should not be based solely on such information.

The sections titled "*Summary of the Offer Document*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" of this Red Herring Prospectus contain data and statistics from the CRISIL Report which has been commissioned and paid for by our Company for an agreed fee and is available on the website of our Company at www.krosslimited.com, from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date which is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Kross Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval. In accordance with the SEBI ICDR Regulations, the section titled "Basis for Offer Price" on page 128 includes information relating to our listed industry peers. Such information has been derived from publicly available sources.*"

The extent to which the market and industry data used in this 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this 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", "expect", "estimate", "intend", "likely to", "may", "can", "could", "should", "seek to", "shall", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All forward-looking statements whether made by us or any third parties in this Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially include, but are not limited to, the following:

1. Our top five customers contributed a significant portion (more than 66.00% in each of the previous three Fiscals) of our revenues. The loss of a major customer or reduction in demand for our products from any of our major customers may adversely affect our business, financial condition, results of operations and prospects.

2. Demand for our products is linked to growth and trends in sales of vehicles by our customers. Decline in sales of our customers may adversely affect the demand for our products which in turn would adversely impact our business, financial condition, results of operations and prospects.

3. We derive a substantial portion of our revenue (more than 40.00% in Fiscal 2024, more than 30.00% in Fiscal 2023 and more than 20.00% in Fiscal 2022) from the sale of trailer axle and suspension assemblies for medium and heavy commercial vehicles ("M&HCV"). Further, our top three product segments accounted for more than 93.00% of our revenues for the above periods. Any reduction in demand for our key products would have a material adverse effect on our business, financial condition, results of operations and cash flows.

4. We derive a substantial portion of our revenue from supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and commercial vehicles ("M&HCV") and farm equipment segments. Any change in demand for such components would have a material adverse effect on our business, financial condition, results of operations and cash flows.

5. Our manufacturing facilities are subject to operating risks. Any shutdown of our manufacturing facilities of our existing or future manufacturing facilities or other production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, please refer to the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 195 and 305, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Directors, the BRLM, the Promoter Selling Shareholders, nor any Syndicate member 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 SEBI's requirements, our Company shall ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings made by them in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Promoter Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus until the date of allotment of Equity Shares. Only the statements and undertakings which are specifically confirmed or undertaken by each of the Promoter Selling Shareholders about or in relation to themselves as Promoter Selling Shareholders and their respective portion of the Offered Shares, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by such Promoter Selling Shareholders.

SECTION II: SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" on pages 27, 71, 88, 107, 144, 195, 247, 253, 335, 370 and 394, respectively.

Summary of the primary business of our Company

We are a diversified player focused on manufacturing and supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and heavy commercial vehicles ("**M&HCV**") and farm equipment segments. We are widely recognized as one of the prominent manufacturers of trailer axles and suspension assembly in India *(Source: CRISIL Report).* In 2019, we commenced manufacture and sale of trailer axle and suspension assemblies and have witnessed robust growth between Fiscal 2021 and Fiscal 2024 *(Source: CRISIL Report).*

For details of our peers, please refer to the section titled "*Industry Overview – Peer Comparison*" on page 191. For further details on our business and operations, please refer to the section titled "*Our Business*" beginning on page 195.

Summary of the industry

In fiscal year 2024, the M&HCV segment exhibited a de-growth of 3% over the fiscal year 2023. In fiscal year 2023, MHCV sales recorded a growth of 40%, this recovery brought MHCV sales to approximately 90% of the level recorded in fiscal year 2019, a notable milestone. The resurgence in economic activities across various sectors played a pivotal role in driving this recovery. Tractor trailers were the fastest-growing category in the MHCV segment, witnessing a growth of 71% CAGR between fiscals 2021 and 2024, followed by the MCV haulage and MAV haulage segments at 50% CAGR and 32% CAGR, respectively. Tippers grew at 14% CAGR, whereas ICVs clocked 1% growth during the same period. *(Source: CRISIL Report)*

For details of our peers, please refer to the section titled "*Industry Overview – Peer Comparison*" on page 191. For further details on our business and operations, please refer to the section titled "*Our Business*" beginning on page 195.

Names of our Promoters

The Promoters of our Company are Sudhir Rai, Anita Rai, Sumeet Rai and Kunal Rai

For further details, please refer to the section titled "*Our Promoters and Promoter Group – Our Promoters*" on page 247.

Offer size

Offer of Equity Shares	Up to [●] equity shares of ₹ 5 each, aggregating up to ₹ 5,000.00 million
of which	
- Fresh Issue(1)	Up to [●] equity shares of ₹ 5 each, aggregating up to ₹ 2,500.00 million
- Offer for Sale(2)	Up to [●] equity shares of ₹ 5 each, aggregating up to ₹ 2,500.00 million by the Promoter Selling Shareholders

(1) *The Offer has been authorized by a resolution of our Board of Directors dated October 21, 2023, and a special resolution of our Shareholders dated October 26, 2023.*

(2) *Each of the Promoter Selling Shareholders, severally and not jointly, have confirmed their participation of their respective portion in the Offer for Sale vide the consent letters, each dated November 8, 2023 and our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to the resolution dated November 9, 2023. Each of the Promoter Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Promoter Selling Shareholders for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled "Other Regulatory and Statutory Disclosures" beginning on page 346.*

The Offer shall constitute [●] % of the fully diluted post-Offer Equity Share capital of our Company. For further details, please refer to the sections titled "*The Offer*" and "*Offer Structure*" on pages 71 and 366 respectively.

Objects of the Offer

The objects for which the Net Proceeds from the Fresh Issue shall be utilized are as follows:

Particulars	Estimated amount (*in ₹ million*)
Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment	700.00
Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions	900.00
Funding working capital requirements of the Company	300.00
General corporate purposes(1)	[●]
Net Proceeds(1)	[●]

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

For further details, see "*Objects of the Offer*" on page 107.

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

The aggregate pre-Offer and post-Offer shareholding of our Promoters and Promoter Group as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital#	
		No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
Promoters					
1.	Sudhir Rai	31,200,140	57.68	[●]	[●]
2.	Anita Rai	15,199,816	28.10	[●]	[●]
3.	Sumeet Rai	3,800,000	7.02	[●]	[●]
4.	Kunal Rai	3,492,000	6.46	[●]	[●]
Total holding of the Promoters (A)		**53,691,956**	**99.26**	**[●]**	**[●]**
Promoter Group					
1.	Dipak Rai HUF*	400,000	0.74	[●]	[●]
Total holding of the Promoter Group (other than Promoters) (B)		400,000	0.74	[●]	[●]
Total holding of Promoters and Promoter Group (A + B)		**54,091,956**	**99.99**	**[●]**	**[●]**

**Held through its karta, Sudhir Rai*
 # This portion has been intentionally left blank and will be updated in the Prospectus, prior to filing with the RoC

The aggregate pre-Offer and post-Offer shareholding of the Promoter Selling Shareholders as on the date of this Red Herring Prospectus is as follows:

Name of Promoter Selling Shareholders	Pre-Offer Equity Share capital		Post-Offer Equity Share capital#	
	No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
Sudhir Rai	31,200,140	57.68	[●]	[●]
Anita Rai	15,199,816	28.10	[●]	[●]

 # This portion has been intentionally left blank and will be updated in the Prospectus prior to filing with the RoC

Summary of the Restated Financial Information

A summary of the select financial information of our Company, as per the Restated Financial Information as follows:

(in ₹ million, except otherwise stated)

Particulars	Fiscal		
	2024	2023	2022
Equity Share capital	270.46	135.23	135.23
Net worth	1,468.05	1,021.06	724.04
Revenue from operations	6,202.50	4,886.28	2,974.55
Profit after tax for the year	448.81	309.31	121.69
Earnings per equity share (basic and diluted)			
- Basic (in ₹/share)	8.30	5.72	2.25
- Diluted (in ₹/share)	8.30	5.72	2.25
Net asset value per Equity Share (in ₹/share)	27.14	18.88	13.39
Total Borrowings (including non-current and current borrowings plus lease liability)	1,179.00	882.58	860.56

Notes:

1. *Net Worth means the aggregate value of the paid-up share capital, and other equity and are based on Restated Financial Information.*
2. *Earnings per Share (basic) = Restated Profit for the year attributable to owners of the Company divided by restated number of equity shares outstanding at the end of the year after considering bonus shares which has been issued subsequent to March 31, 2024 and sub-division of Equity Shares for all periods presented in accordance with Ind AS 33.*
3. *Earnings per Share (diluted) = Restated Profit for the year attributable to owners of the Company divided by restated number of equity shares for the purposes of computing diluted earnings per share outstanding during the year after considering bonus shares which has been issued subsequent to March 31, 2024 and sub-division of Equity Shares for all periods presented in accordance with Ind AS 33.*
4. *Net Asset Value per Equity Share (basic) (in ₹) = Total Net worth (as per the table above) / number of equity shares outstanding for the purpose of basic EPS.*
5. *Total borrowings includes Current and Non Current Borrowings and Lease Liabilities.*

For further details, please refer to the section titled "*Restated Financial Information*" beginning on page 253.

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

Our Statutory Auditors have not made any qualifications in the Restated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Promoters, Directors and Group Company as on the date of this Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" on page 335 in terms of the SEBI ICDR Regulations is provided below:

Particulars	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of disciplinary actions by the SEBI or the Stock Exchanges against our Promoters	Number of material civil proceedings *	Aggregate amount involved (in ₹ million)^
Company						
Against our Company	Nil	8	Nil	Nil	Nil	72.43
By our Company	5	Nil	Nil	Nil	Nil	3.97
Directors						
Against our Directors	Nil	2	Nil	Nil	Nil	0.36
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
Against our Promoters	Nil	2	Nil	Nil	Nil	0.36
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Group Company						
Outstanding litigation that has a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

**Determined in accordance with the Materiality Policy*
^To the extent quantifiable

For further details of the outstanding litigation proceedings involving our Company, Directors, Promoters and our Group Company, please refer to the section titled "*Outstanding Litigation and Other Material Developments*" beginning on page 335.

Risk factors

Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 27 to have an informed view before making an investment decision.

Summary of contingent liabilities of our Company

As of March 31, 2024, our contingent liabilities as per Ind AS 37 and the Restated Financial Information were as follows:

(in ₹ million)

Particulars	As at March 31, 2024
Excise duty and service tax matters	27.67
GST and VAT matters	27.31
Income tax matters in dispute	17.46
Bills discounted with Kotak Mahindra Bank*	315.50
Total	**387.93**

**Bills Discounted with recourse to the Company with Kotak Mahindra Bank*

[*remainder of this page has intentionally been left blank*]

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations entered into by our Company with related parties in the preceding three Fiscals are as follows:

Related parties with whom transactions have taken place	Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations
Bull Auto Parts	Sale of goods	155.98	2.51%	80.93	1.66%	83.65	2.81%
	Amount receivable	52.79	0.85%	9.98	0.20%	8.80	0.30%
Tuff Seals Private Limited	Purchase of goods	3.20	0.05%	3.19	0.07%	2.56	0.09%
	Amount payable	0.45	0.01%	0.48	0.01%	0.46	0.02%
Sudhir Rai	Remuneration	3.60	0.06%	3.15	0.06%	1.80	0.06%
	Dividend Paid	-	0.00%	7.80	0.16%	-	0.00%
	Remuneration Payable	0.25	0.00%	0.27	0.01%	-	0.00%
	Unsecured Loan payable	12.53	0.20%	12.53	0.26%	11.32	0.38%
Anita Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	3.80	0.08%	-	0.00%
	Remuneration Payable	0.14	0.00%	0.14	0.00%	-	0.00%
	Unsecured Loan payable	3.42	0.06%	3.42	0.07%	-	0.00%
Sumeet Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	0.95	0.02%	-	0.00%
	Remuneration Payable	0.14	0.00%	0.38	0.01%	-	0.00%
	Unsecured Loan payable	0.86	0.01%	0.86	0.02%	-	0.00%
Kunal Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	0.87	0.02%	-	0.00%
	Remuneration Payable	0.10	0.00%	0.11	0.00%	-	0.00%
	Unsecured Loan payable	0.79	0.01%	0.79	0.02%	-	0.00%
K Suresh Babu	Remuneration	0.85	0.01%	1.38	0.03%	-	0.00%
	Dividend Paid	-	0.00%	0.00	0.00%	-	0.00%
	Remuneration Payable	0.05	0.00%	0.05	0.00%	-	0.00%
Dipak Rai (HUF)	Dividend Paid	-	0.00%	0.10	0.00%	-	0.00%
Rahul Rungta	Salary	0.02	0.00%	0.10	0.00%	-	0.00%
Sangita Kumari Agarwal	Salary	0.07	0.00%	-	0.00%	-	0.00%
Debolina Karmakar	Salary	0.21	0.00%	-	0.00%	-	0.00%
	Salary Payable	0.05	0.00%	-	0.00%	-	0.00%
Sanjiv Paul	Sitting fees	0.06	0.00%	-	0.00%	-	0.00%
Gurvinder Singh Ahuja	Sitting fees	0.06	0.00%	-	0.00%	-	0.00%
Mukesh Kumar Agarwal	Sitting fees	0.03	0.00%	-	0.00%	-	0.00%
Deepa Verma	Sitting fees	0.06	0.00%	-	0.00%	-	0.00%
TOTAL		**242.91**	**3.92%**	**137.41**	**2.81%**	**111.53**	**3.75%**

Notes:

(1) The Company engages in the sale of goods to Bull Auto Parts in the ordinary course of its business and accordingly, the term "sale of goods" and "amount receivable" with Bull Auto Parts" with respect to the related party transactions entered into with Bull Auto Parts refers to: (i) sale of goods denotes goods sold during the particular financial year and (ii) amount receivable equals to the amount outstanding to be received as on the last date of the particular financial year.

(2) The Company engages in the purchase of goods from Tuff Seals Private Limited in the ordinary course of its business and accordingly, the term "purchase of goods" and "amount payable with Tuff Seals Private Limited" with respect to the related party transactions entered into with Tuff Seals Private Limited refers to: (i) purchase of goods denotes goods purchased during the particular financial year and (ii) amount payable equals to the amount outstanding to be paid as on the last date of the particular financial year.

For details of the related party transactions and as reported in the Restated Financial Information, please refer to the section titled "*Restated Financial Information – Note 40 – Related Party Disclosures*" beginning on page 289.

[*remainder of this page has intentionally been left blank*]

Financing arrangements

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

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

Except as disclosed below, none of our Promoters, members of the Promoter Group or the Promoter Selling Shareholders have acquired any securities in the last three years preceding the date of this Red Herring Prospectus:

Sr. No.	Name of the acquirer/ shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share (1)
Promoters				
1.	Sudhir Rai#	November 9, 2023	7,800,035	Nil*
2.	Anita Rai#	November 9, 2023	3,799,954	Nil*
3.	Sumeet Rai	March 28, 2022(2)	469,960	Nil
		November 9, 2023	950,000	Nil*
4.	Kunal Rai	March 28, 2022(2)	4,69,960	Nil
		November 9, 2023	8,73,000	Nil*
Promoter Group				
1.	Dipak Rai HUF	November 9, 2023	100,000	Nil*

1 As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024
2 Transmission of Equity Shares from Mr. Dipak Rai
 # Also, a Promoter Selling Shareholder.
** The Company has issued bonus shares vide special resolution dated October 26, 2023 in the ratio of 1:1. The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million. Accordingly, there is no acquisition price per Equity Share for these transactions.*

None of the Company's Shareholders have the right to nominate directors or any other rights, as on the date of this Red Herring Prospectus.

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

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

Sr. No.	Name of the Promoter / Promoter Selling Shareholders	Number of Equity Shares acquired in the one year preceding the date of this Red Herring Prospectus	Weighted average price at which the Equity Shares were acquired in last one year (in ₹)*
1.	Sudhir Rai#	7,800,035	Nil**
2.	Anita Rai#	3,799,954	Nil**
3.	Sumeet Rai	950,000	Nil**
4.	Kunal Rai	873,000	Nil**

** As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024*
*** The Company has issued bonus shares vide special resolution dated October 26, 2023 in the ratio of 1:1. The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million. Accordingly, there is no acquisition price per Equity Share for these transactions.*
 # Also, a Promoter Selling Shareholder.

Average cost of acquisition of Equity Shares to our Promoters and the Promoter Selling Shareholders

The average cost of acquisition per Equity Share to our Promoters and the Promoter Selling Shareholders, on a fully diluted basis as at the date of this Red Herring Prospectus is:

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share on a fully diluted basis (in ₹)*
Promoters		
Sudhir Rai#	31,200,140	1.91
Anita Rai#	15,199,816	1.69
Sumeet Rai	3,800,000	0.95
Kunal Rai	3,492,000	0.58

** As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024*
#Also, a Promoter Selling Shareholder

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

Period	Weighted average cost of acquisition (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price: lowest price – highest price (in ₹)*
Last one year preceding the date of this Red Herring Prospectus	Nil	[●]	N.A.
Last 18 months preceding the date of this Red Herring Prospectus	Nil	[●]	N.A.
Last three years preceding the date of this Red Herring Prospectus	Nil	[●]	N.A.

^Information will be included after finalization of the Price Band
** As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024*

Details of pre-IPO Placement

Our Company has not undertaken any pre-IPO placement, pursuant to the Offer.

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

Except as disclosed in "*Capital Structure – Notes to the Capital Structure – Shares issued for consideration other than cash or bonus or out of revaluation reserves"* on page 93, our Company has not issued any Equity Share for consideration other than cash or bonus in the last one year from the date of this Red Herring Prospectus.

Split/ consolidation of Equity Shares in the last one year

Except as disclosed in the section titled "*Capital Structure*" beginning on page 88, our Company has not undertaken any split/ consolidation of its Equity Shares in the last one year from the date of this Red Herring Prospectus.

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

We have not sought any exemption from SEBI from complying with any provisions of securities law from SEBI, in respect of the Offer, as on the date of this Red Herring Prospectus.

SECTION III: RISK FACTORS

Any investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks, uncertainties and challenges described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we deem immaterial may also impair our business, results of operations, financial condition or cash flows. In order to obtain a complete understanding about us, you should read this section in conjunction with sections entitled "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 195, 144 and 305, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. If any or a combination of the following risks, or other risks and uncertainties that are not currently known or are now deemed immaterial, actually materialize, our business, financial condition, results of operations and prospects may suffer, the trading price of our Equity Shares may decline, and all or part of your investment in our Equity Shares may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned here.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward- looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For further information, see section entitled "Forward-Looking Statements" beginning on page 17. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Red Herring Prospectus. For further information, see section entitled "Restated Financial Information" beginning on page 253. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Kross Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment" dated August 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited, appointed on August 11, 2023 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the CRISIL Report will be available on the website of our Company at www.krosslimited.com from the date of this Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. 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. For more information, see section entitled "Risk Factors – Industry information included in this Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose." on page 45. Also see section entitled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

INTERNAL RISK FACTORS

1. ***Customer concentration risk – Our top five customers contributed a significant portion (more than 66.00% in each of the previous three Fiscals) of our revenues. The loss of a major customer or reduction in demand for our products from any of our major customers may adversely affect our business, financial condition, results of operations and prospects.***

   We derive majority of our revenue from operations from sales to our top five customers. Loss of all or a substantial portion of sales to any of our large customers, in particular for any reason (including, due to loss of contracts or failure to negotiate acceptable terms, loss of market share of these customers, disputes with these customers, adverse change in the financial condition of these customers, decline in their sales, plant shutdowns, labour strikes or other work stoppages affecting production of these customers), could have an adverse impact on our business, results of operations, financial condition and cash flows.

Our top five customers* contributed the following to our revenue from operations for the respective periods:

Fiscal 2024		Fiscal 2023		Fiscal 2022	
Amount (₹ *in million*)	% of revenue from operations	Amount (₹ *in million*)	% of revenue from operations	Amount (₹ *in million*)	% of revenue from operations
4,095.19	66.02%	3,340.95	68.37%	2,096.27	70.47%

**We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.*

Further, the volume and timing of sales to our large customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. Thus, any decrease in the demand for our products from our large customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow. These customers may change their outsourcing strategy by moving more work in-house, replace us with our competitors, or replace their existing products with alternative products which we do not supply. Also, these customers may demand price reductions and there is no assurance that we will be able to offset any reduction of prices to these customers with reductions in our costs or by acquiring new customers.

While we have not encountered any loss of major customers in the past three Fiscals, there can be no assurance that we would not lose any of our major customers in the future.

2. ***End-user industry risk – Demand for our products is linked to growth and trends in sales of vehicles by our customers. Decline in sales of our customers may adversely affect the demand for our products which in turn would adversely impact our business, financial condition, results of operations and prospects.***

Demand for our products is directly related to the production and sales of M&HCV and farm equipment by our customers. Production and sales of M&HCV and farm equipment may be affected by general economic or industry conditions, improving industrial activity, agricultural output, the pace of infrastructure development as well as evolving regulatory requirements, government initiatives and trade agreements. Our sales are directly dependent on the production level of OEMs in M&HCV and farm equipment as well as manufacturers of tractor trailers and are affected by inventory levels of manufacturers operating in these industries. For further information, see section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Results of Operations and Financial Condition*" on page 307.

We also depend on revenues from our customers across of tractor components, truck components and trailer axles and suspension assemblies business. Set out below are the revenues generated from various end-use industries and as a percentage of our revenue from sale of products:

(*in ₹ million, except percentages*)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
M&HCV*	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%
Farm Equipment	559.60	9.02%	592.73	12.13%	546.52	18.37%
Other Component/ Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

**M&HCV includes trailer axle and suspensions*

Further, production and sales of the vehicles for which we supply products are affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts favouring other types of vehicles, fuel prices, vehicle electrification, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in these industries' supply chain, vehicle age, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions.

It is difficult to forecast events which affect the profitability and liquidity of our customers or the success or sustainability of any strategies undertaken by any of our customers in response to ongoing economic or industry trends. Reduced demand in the industries we currently supply to, continued uncertainty and other unexpected fluctuations or change in regulations, customs, taxes or other barriers or restrictions adversely affecting the market, particularly those impacting our customers could have a material adverse impact on our business, results of operations, cash flows and financial condition.

For further information on our key customers, see section entitled "*Our Business – Customer agreements*" on page 219.

3. ***Product concentration risk – We derive a portion of our revenue from the sale of trailer axle and suspension assemblies for medium and heavy commercial vehicles ("M&HCV"). Any reduction in demand for our key products on account of regulatory changes or changes in technologies including but not limited to shift in renewable/green energy would have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We rely on revenue generated from the sale of trailer axles and suspension assemblies, tractor components and truck components for M&HCV and farm equipment. While we have not experienced any material sustained decline in the sale of our key products in the last three Fiscals, there is no assurance that we will not face any decline in the future. The table below sets out the revenues generated from sale of our key product segments and as a percentage of our revenue from operations:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Trailer axle and suspensions	2,690.50	43.38%	1,628.22	33.32%	668.96	22.49%
Tractor components[(1)]	559.60	9.02%	592.73	12.13%	546.52	18.37%
Truck components[(2)]	2,821.56	45.49%	2,415.24	49.43%	1,561.96	52.51%
Other Component/ Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

Notes:
[(1)] Tractor components include a range of components we supply for Tractor industry. A few prominent products include Spindle Front Axle (Stub Axle), PTO Shaft, Lift Arm and Arm Ram.
[(2)] Truck components include a range of components we supply for Truck industry. A few prominent products include Bell crank assembly and Differential Spiders, Rear Axle Shafts, Anti Roll Bars and Stabiliser Assemblies.

Any failure to successfully manufacture and market trailer axles and suspension assemblies, tractor components and truck components for M&HCV and farm equipment, whether on account of regulatory changes or changes in technologies, including creation of alternate technologies or changes in technologies including but not limited to shift in renewable/green energy, could adversely affect our business, financial condition, cash flows and results of operations.

4. ***We derive a substantial portion of our revenue from supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and commercial vehicles ("M&HCV") and farm equipment segments. Any change in demand for such components would have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We rely heavily on revenue generated from the sale of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for M&HCV and farm equipment segments. While Crisil Report expects the EV adoption in the HCV segment to be negligible in the near future, in the past there have been instances of faster adoption across other vehicle segments supported by multiple factors including government policy initiatives, financial incentives, reduction in prices, changes in technology and changes in consumer preference. If there is a significant increase in the adoption of battery-electric vehicles, particularly in M&HCV and farm equipment segments, it could adversely affect our financial condition, cash flows and results of operations, as the market for our products may shrink.

Further, while a part of our product portfolio like trailer axle supports the weight of the trailer and its cargo which should be required irrespective of shift in fuel-source, we cannot assure that our existing product mix and manufacturing facilities will be suitable for vehicles using such alternative fuel technologies or that we will be able to alter our products to suit such applications. If our customers preferences change towards product technologies or designs and we are unable to adapt to such changes, our financial condition, cash flows and results of operations may be adversely impacted.

5. ***Manufacturing facility disruption risk – Our manufacturing facilities are subject to operating risks. Any shutdown of our manufacturing facilities of our existing or future manufacturing facilities or other production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.***

We conduct our operations through our five manufacturing facilities situated at Jamshedpur, Jharkhand. Our business is dependent upon our ability to manage our manufacturing facilities and run them at certain utilization levels, which are subject to various operating risks, including those beyond our control, such as

- forced or voluntary closure of manufacturing plants, including as a result of regulatory actions;
- problems with supply chain continuity, including as a result of natural or man-made disasters at any of our manufacturing facilities;
- manufacturing shutdowns, breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;
- labour disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- any changes in the availability of power or water availability which impacts the entire region;
- failure of a supplier to provide us with the critical raw materials or components for an extended period of time, which could impact continuous supply; and
- changes in political relationships between India and the countries in which we export and local political tensions.

If we are unable to address such disruptions in a timely manner or at all, our operations may need to be suspended and our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition. While we have not faced any such malfunctions or breakdowns in the past three Fiscals, there can be no assurance that such disruptions will not happen in the future. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, testing, capacity expansion and equipment upgrades.

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In the three month period ended June 30, 2024 and each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, our installed capacity and our capacity utilization at three of our manufacturing units at Jamshedpur, Jharkhand was as follows:

Facility	Product	Three month period ended June 30, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
		Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)
Unit I	Coupling Flanges	195,000	148,166	75.98%	780,000	654,731	83.94%	750,000	593,623	79.15%	576,000	432,180	75.03%
	Differential Spiders	65,000	40,178	61.81%	260,000	181,632	69.86%	260,000	216,224	83.16%	228,000	192,982	84.64%
Unit III	Axle Shafts	67,500	45,053	66.75%	270,000	221,771	82.14%	240,000	195,050	81.27%	216,000	172,330	79.78%
Unit IV	Trailer Axle & Suspension	15,000	10,145	67.63%	60,000	40,929	68.22%	30,500	26,479	86.82%	15,000	13,190	87.93%
	Bell Crank Assembly	10,500	4,578	43.60%	42,000	33,051	78.69%	38,400	32,612	84.93%	28,000	23,726	84.74%
	Anti Roll Bars & Stabilizer Bar Assembly	25,000	19,260	77.04%	100,000	81,303	81.30%	72,000	50,200	69.72%	45,000	33,600	74.67%

Notes:

1. *Installed capacity represents the installed capacity as of the last date of the relevant fiscal/ period.*
2. *Assumptions and estimates taken into account for measuring installed capacities include 300 working days in a year, at 3 shifts per day operating for 8 hours a day*
3. *Production represents the quantum of production in the relevant manufacturing facility in the relevant fiscal/ period.*
4. *Capacity utilization has been calculated on the basis of actual production in the relevant fiscal/ period divided by the annual available capacity during such fiscal/ period.*
5. *Only select key products have been included as part of the table above.*
6. *MT represents metric tonne.*
7. *Capacity utilisation for Unit II and Unit V has not been included as these units do not produce finished goods.*

For further information, see section entitled "*Our Business – Installed Capacity and Capacity Utilization*" on page 216. 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.

6. ***Manufacturing facility geographical concentration – Our manufacturing facilities are located in the same geographical location and any disruptions in our manufacturing process due to local and regional factors could have an adverse effect on our business, financial condition and results of operations.***

We currently operate through five manufacturing facilities in Jamshedpur, Jharkhand. For details of our manufacturing facilities, see section entitled "*Our Business – Manufacturing facilities and foundry*" on page 215. There are no instances in the past three fiscals linked to the location of the Company's manufacturing facilities that have materially and adversely affected business and operations of the Company.

However, due to the geographic concentration of our manufacturing operations, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, demographic and population changes, political uncertainty and changes in regulations by state government, adverse changes in availability of key inputs including labour and power, the outbreak of infectious diseases and other unforeseen events and circumstances. We experienced temporarily disruption of our business operations were on account of the pandemic induced shutdown of our manufacturing facilities, pursuant to the directives issued by the local authorities. We resumed operations at our manufacturing facilities in a phased manner as per the Government of India and state government's directives after making arrangements to meet the government's requirements on sanitization, people movement and social distancing. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, adversely impact our ability to maintain capacity utilization levels and/or otherwise adversely affect our business, financial condition and results of operations. Further, such disruptions, damage or destruction of those facilities may severely affect our ability to meet our customers' demand and the loss of any one of our key customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations and financial condition.

7. ***Product quality risk – We are subject to strict quality requirements and any product defect issues or failure by us to comply with quality standards could adversely affect our business, results of operations, cash flows and financial condition.***

We are engaged in the manufacturing and supply of critical and complex components which are required to meet precise and specific requirements including in terms of quality. Our customers include various OEMs, for whom we manufacture components as per the requirements specified by them by way of the respective product specifications. Various product families manufactured by us have different requirements including in terms of measurements and tolerances, which are based on the specifications shared by the OEM customers. Further, we internally check components from batches on a sample basis for meeting quality standards and our facilities are also subject to periodic inspection by certain customers. Failure by us to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet our customers' demands, lead to the cancellation of existing and future orders, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls and paying warranty and liability claims, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our agreements with customers or purchase orders issued by them, have standard liability clauses in relation to quality and delivery of our products, which ordinarily do not have any limits. Accordingly, we are required to provide warranty for such quality and delivery related obligations, which may or may not be capped in terms of time or monetary value. Further, the supply of defective products may result in our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations. We may also be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. In the past, we have been subject to replacement of parts of certain of our products. We cannot assure you that such instances will not arise in the future. Further, we cannot guarantee that no product liability claim will arise in the future.

Further, certain of our products, namely, our trailer axles are sold under specific warranties on number of kilometres, such as 100,000 kms and 400,000 kms. We are liable to replace certain components or the entire products under warranty for certain of these products. If any of the products sold by us fail to comply with applicable quality standards or fail while under warranty, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations.

We have had the following warranty claims in the past three Fiscals:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Warranty Claims	15.83	0.26%	8.22	0.17%	1.48	0.05%

We have received a number of quality assurance certifications and accreditations which are critical to our operations and continued supply relationships with our customers. For instance, our manufacturing facilities (Units I, II, III, IV and V) have obtained ISO 9001:2015. We are also certified by TUV Nord for IATF 16949:2016. If we are unable to renew these accreditations, our brand and reputation could be adversely affected. Additionally, our Unit III manufacturing facility has also obtained ISO 14001:2015 for manufacture of axle shaft, universal joints and propeller shaft parts, differential spiders, companion flanges, bevel kit assemble and CED coating from TÜV NORD CERT GmbH and ISO 45001:2018 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

8. ***Lack of long-term contracts – We do not have firm commitment agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.***

Our arrangement with customers is based on undertaking work on a purchase order basis, wherein a customer issues an order on us for the desired number of units and pricing. While we have arrangements with certain of our key OEM customers pursuant to which customers provide us with forecasts of business volumes which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders.

Accordingly, there is no assurance that our customers, including long term customers, will continue to source products from us. In the absence of committed volumes or prices, our ability to predict demand for our products and therefore accurately plan raw material supplies and production schedules is limited. While excluding the pandemic related disruption, we have not encountered any significant loss in volume of orders from our top five customers by contribution to revenue, in the past three Fiscals, we cannot assure you that such instances will not occur in the future. Further, change in the product mix for orders placed by our customers may also substantially impact our margins and production schedules.

Further, for a large part of our product range, we are not the exclusive supplier to our customers and our competitors may also be supplying their products to our customers. The absence of long-term arrangements, or arrangements with firm commitments of quantities with from our customers' and the possibility of rapid changes in demand for their products affect our ability to accurately estimate their future requirements. Moreover, because our margins vary across customers and specific programs, a reduction in demand with higher margin customers can have a more significant adverse effect on our operating results.

Our customers may also cancel, change or delay production quantities and schedules, or fail to meet their forecasts for a number of reasons beyond our control. Our customer's expectations can also change rapidly, requiring us to take on additional commitments or risks and we cannot assure you that we will be able to meet such expectations while maintaining our margins and our ability to maintain business with such customers. Cancellations, reductions or delays by a significant customer, or by a group of customers, could adversely affect our operating results and negatively affect our working capital levels.

9. ***Inventory management risk – If we fail to accurately predict the demand for our products or if customers vary or cancel production orders, we may incur costs associated with excess inventory, including towards raw material charges, elongated working capital cycle and storage costs, any or all of which can adversely impact our financial results, profitability and future prospects.***

The volume and timing of sales to our customers may vary due to variation in demand for our customers' products, our customers' attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general and our customers in particular.

Our inability to accurately forecast the level of customer demand for our products, accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. We have not faced any instances of significant reduction in demand for our products in the past three Fiscals, except for certain disruptions in sales during the months of March to May of 2020 on account of COVID-19 induced restrictions.

The table below sets forth details of our inventory as of the dates indicated:

Particular	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventory (₹ in million)	835.18	621.96	413.72
Inventory days	49	46	51
Inventory turnover ratio	7.43	7.86	7.19

***Notes**: Inventory turnover ratio = turnover / inventory*

While we forecast the demand for our products and accordingly plan our raw material procurement and production volumes, any error in our forecast could result in higher inventory or raw materials, work in progress goods as well as finished goods, which may result in elevated inventory levels, require us to allocate additional capital for the higher inventory levels, additional storage cost and expose us to pricing risk as well as risk of obsolescence with respect to such inventory.

Since we operate out of five manufacturing units which are not geographically contiguous and are involved in different but co-dependant aspects of our operations, we are required to plan and maintain inventory at a unit level as well. Any failure to manage production schedules according to the capacities of our existing facilities could lead to the creation of excess or insufficient inventories for our remaining units, leading to delays in production schedules for our finished products or a large unutilised inventory for certain input products which may not be sold individually as components by us.

Additionally, in the event of significant cuts in production schedules announced by customers with little advance notice, we may be unable to respond with corresponding production and inventory reductions and we may be required to reorganize our production schedules. Such instances may occur from time to time in the ordinary course of business, including due to changes in product specifications, extremity of weather condition, seasonal/ cyclical nature of the sectors in which we operate and global economic downturns affecting the M&HCV and farm equipment sectors, amongst other things.

As many of our operating expenses are relatively fixed, an unanticipated change in customer demand or preferences may adversely affect our liquidity and financial condition. Further, any finished inventory maintained at our manufacturing facilities and warehouses may be susceptible to unanticipated changes in customer preferences which may render our finished products obsolete or unutilized in meeting demand to the extent anticipated, thereby adversely affecting our liquidity and financial position.

10. ***Our Company is unable to trace certain filings pertaining to historical secretarial information, minutes of board and shareholders' meetings, copies of share transfer forms and certain records from the statutory registers.***

Our Company is unable to trace certain filings pertaining to historical secretarial information, minutes of board and shareholders' meetings, copies of share transfer forms, certain records from the statutory registers and filings with the RoC. These include, *interalia* (i) resolutions for issuance of equity shares related to allotment of equity shares dated February, 21, 1992; May 12, 1992; May 31, 1999; March 31, 2001; July 31, 2006; November 7, 2008; January 22, 2009; January 6, 2010; March 28, 2012; March 28, 2013; March 31, 2014, August 21, 2019; (ii) resolution for allotment of equity shares dated August 26, 2016; and (iii) copies of share transfer forms. Accordingly, we have relied on form filed with the RoC and relevant resolutions passed by the Board for allotment and transfer of equity shares of the Company, to the extent available. Similarly, for the build-up of our Promoters' shareholding in our Company, we have unable to trace share transfer forms and related documents, and therefore relied on the resolutions passed by the Board for taking on record the transfer of equity shares and other forms, to the extent available and applicable.

The Company had appointed a practicing company secretary ("**PCS**") vide letter dated June 24, 2023 to conduct a search with respect to company law records, registers, secretarial and other statutory records, forms deeds, returns and other documents ("**Corporate Records**") in relation to disclosures in "*Capital Structure*", "*History and Certain Corporate Matters*", and "*Our Management*" sections beginning on pages 88, 228 and 232, respectively, of the Company filed at the RoC and Registrar of Companies, Bihar at Patna under the Companies Act 1956, Companies Act, 2013 and rules thereunder, since incorporation.

The PCS vide their certificate dated November 30, 2023 has confirmed and carried out an in-depth search and inspection of Corporate Records in the following manner:

i. Secretarial records maintained by Company at the Registered/Corporate office of the Company;

ii. Documents available in the digital records/database maintained on the Ministry of Corporate Affairs portal as on the date of the certificate issued by the PCS;

iii. Physical search of Corporate Records of the Company as maintained at the office of the ROC and Registrar of Companies, Bihar at Patna and other designated premises;

iv. List maintained by the ROC in accordance with the Disposal of Records (in the Offices of the Registrars of Companies) Rules, 2003 in relation to Corporate Records which have been disposed of.

11. ***Product pricing risk – Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices.***

Our customers often pursue price reduction initiatives and objectives with their suppliers including us. We may be required to reduce prices to retain business from a particular customer or to increase our overall wallet share from an existing customer. We have in the recent past passed on discounts on certain products to our OEM customers to gain a better share of business for the product. Any reduction in prices for our products may lead to a decrease in our margins, which may have a material adverse effect on our business, financial condition, results of operations and future prospects. Our business is capital intensive, requiring us to maintain a substantial fixed asset base. Our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discount in price as the volume of their orders increases. To maintain our profit margins, we seek price reductions from our suppliers, improve production processes to increase manufacturing efficiency and streamline product designs to reduce costs.

We also focus on value engineering activities to reduce costs in different operational areas. If we are unable to offset customer price reductions in the future through increased volumes, improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations, cash flows and financial condition may be materially adversely affected. Further, our competitors may resort to aggressive pricing strategies to gain a larger market share which may exert downward pressure on our pricing levels and profit margins and as a result, we may be required to reduce our prices which in turn may have an adverse impact on our results of operations, cash flows and financial conditions.

12. ***Raw material sourcing risk – We depend on a limited number of third parties for the supply of raw materials and failure by our suppliers to meet their obligations may cause change in availability and cost of raw materials which may adversely affect our business, financial condition, results of operations and prospects.***

We purchase steel required for our manufacturing facilities in India primarily through purchase orders raised on our suppliers and do not have any long term contracts or arrangements with our steel suppliers. Our top three suppliers* of steel in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, accounted for 40.60%, 44.22% and 53.33% of our overall raw material purchases. While we envisage to maintain a diversified set of suppliers to eliminate adverse impact on our business in the event of any disruption or estimated disruption, there is not guarantee that in the event of disruption in supplies by any of our top suppliers that we would be able to source similar quality and quantity of steel or other raw materials in the timely manner without incurring additional costs. Some of our agreements require us to source steel from approved supplier. Our customers may take time to approve any new steel supplier and the approved supplier of steel may not be the most cost-efficient source that we could have arranged had we not been required to take consent of our customers prior to onboarding such supplier.

**We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business*

Discontinuation of supply of raw materials by any of our suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our manufacturing schedule and therefore affect our business and results of operations. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we are unable procure the raw materials from other sources, we would be unable to meet our manufacturing schedules and to deliver to our customers in timely fashion, which would adversely affect our sales, profit margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. This dependence on third party suppliers may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition.

13. *Raw material price risk – Change in availability and cost of steel, our primary raw material may adversely affect our business, financial condition, results of operations and prospects.*

We are engaged in manufacturing safety critical components, trailer axles and suspension systems, requiring steel of certain technical specifications. The table below provides cost of raw materials and components consumed as a percentage of our revenue from operations in the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Cost of raw materials consumed	3,786.81	61.05%	2,941.66	60.20%	1,595.67	53.64%

The table below provides our cost of steel sourced from suppliers as a percentage of our cost of raw materials purchased in the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of cost of raw materials purchased	Amount (in ₹ million)	% of cost of raw materials purchased	Amount (in ₹ million)	% of cost of raw materials purchased
Cost of Steel Sourced from Suppliers	2,057.54	54.31%	1,767.11	57.17%	1,052.78	66.23%

For further information on our raw materials, see section entitled "*Our Business – Raw Materials*" on page. 218.

Prices of steel and our other raw materials can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in prices (in particular, the cost of steel) can significantly affect our raw material costs. While most of our agreements with OEMs have a clause wherein any changes in raw material costs are passed through to our customers, we cannot assure that we will be able to pass-on the increase in prices in its entirety or at all. Further, most of our contracts for supply of trailer axles and suspension do not entail a raw material pass-through clause. Our inability to pass through steel costs or otherwise mitigate these cost increases may have an adverse effect on our business, results of operations and financial condition.

Further, volatility in fuel prices can also affect commodity prices worldwide which may increase our raw material costs. Additionally, rising freight costs could also impact the supply and prices of raw materials which we may not be able to pass on to our customers and in turn our affect our results of operations and profitability. Any increase in prices of steel could have an impact on our working capital as we would require additional funds to procure the necessary steel at the higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase of steel can potentially strain our working capital availability. For further information, see section entitled "– *Our operational flexibility may be limited in certain respects on account of our obligations under some of our customer agreements, terms of purchase and established practices.*" on page 54.

14. ***Profit margin related risk – We operate in a competitive industry where our profitability is impacted by a variety of factors including cost of raw materials, finance cost, labour costs and pricing pressure. Revenue growth may not directly lead to increased profits due to volatility in our profitability margin.***

We face competition in India and overseas in our business, which is based on many factors, including product quality and reliability, breadth of product range, technology, manufacturing capabilities, scope and quality of service and price. We compete with domestic as well as global competitors to retain our existing business as well as to acquire new business.

Our profitability is dependent on our ability to negotiate favourable terms with our customers while efficiently managing our expenses. Our key expenses and profitability margins for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as under:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
		% of Revenue from Operations		% of Revenue from Operations		% of Revenue from Operations
Expenses						
Cost of raw materials consumed (in ₹ million)	3,786.81	61.05%	2,941.66	60.20%	1,595.67	53.64%
Changes in inventories of finished products and work in progress (in ₹ million)	(227.78)	(3.67%)	(44.57)	(0.91%)	7.19	0.24%
Employee benefits expense (in ₹ million)	304.23	4.91%	265.09	5.43%	201.77	6.78%
Finance costs (in ₹ million)	148.96	2.40%	122.19	2.50%	81.61	2.74%
Depreciation and amortisation expense (in ₹ million)	57.86	0.93%	43.22	0.88%	55.03	1.85%
Other expense (in ₹ million)	1,531.66	24.69%	1,148.88	23.51%	874.44	29.40%
Total tax expense (in ₹ million)	164.09	2.65%	107.79	2.21%	41.41	1.39%
Profitability margins						
Gross Margin (%)[1]	42.62%	-	40.71%	-	46.11%	-
EBITDA Margin (%)[2]	13.02%	-	11.77%	-	9.93%	-
PAT Margin (%)[3]	7.22%	-	6.32%	-	4.09%	-

[1] *Gross Margin is calculated as Gross Profit divided by revenue from operations wherein Gross Profit is calculated as revenue from operations minus cost of raw materials and components consumed minus cost of services minus Purchase of traded Goods minus (increase)/decrease in inventories of finished goods, work-in-progress, traded goods and scrap.*
[2] *EBITDA is calculated as profit/ (loss) for the year less exceptional items, share of profit of joint ventures and other income plus finance costs, depreciation and amortisation, and total income tax expenses.*
[3] *PAT Margin is calculated as profit/ (loss) for the year divided by total income.*

For further details of the aforementioned expenses, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 305.

Some or all of the above factors are dependant on factors not within our direct control and accordingly, our profit margins may be adversely impacted by developments in other economic spheres. A decline in our profit margins would adversely impact our overall profits and consequently our future prospects, including our ability to implement our strategies.

Further, due to the volatility in our profitability margins, increases in our revenue from operations is not directly correlated to an increase in our overall profits. Accordingly, increase in our revenues on an overall basis, may not result in a correlated increase in profits in the future.

15. ***Geographical market concentration risk – Nearly all of our revenues from operations are derived on sales made within India (more than 98.00% in Fiscal 2024 and more than 99.00% in each of Fiscal 2023 and***

Fiscal 2022). Our business is therefore significantly affected by fluctuations in general economic activity in India.

Our sales are primarily made to customers located in India. the past three Fiscals, our revenues by geography were as follows:

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in millions)	% of revenue from operations	Amount (₹ in millions)	% of revenue from operations	Amount (₹ in millions)	% of revenue from operations
India	6,131.53	98.86%	4,871.29	99.69%	2,948.34	99.12%
Outside India	70.97	1.14%	14.99	0.31%	26.21	0.88%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

Due to the concentration of our revenues from a single geographical region, we are susceptible to economic, social, geographical and political conditions affecting the Indian market in general and factors affecting Indian MH&CV and farm equipment sector in particular. Our results of operations are affected by the level of credit availability, interest rates, customer preferences, unemployment rates, availability and cost of electricity, rate of inflation, currency exchange rates, tariffs, incentives, intensity of industry competition, product quality and other such factors, which in turn are affected by the macroeconomic conditions in the Indian economy.

As a part of our strategy, we intend to increase our proportion of revenues from operations coming from outside India which exposes us to markets, customers and risks that we have not managed in the past and we cannot assure you that we will be able to grow such business at a profitable basis. Further, such increased contribution in revenues from operations from outside India, also exposes us to macroeconomic conditions, exchange rate risks, counterparty risks, regulatory risk in such geographies and we may not be able to successfully manage such risks which will adversely impact our business, results of operations and financial condition.

16. ***Counter-party credit risk – If our customers dispute or default on their payment obligations to us, we may be subject to adverse cash flows and may be required to spend significant amounts in recovering amounts due, in turn adversely impacting our cash flows, results of operations and future prospects.***

We are subject to counterparty credit risk and a significant delay in receiving payments or non-receipt of large payments from our customers may adversely impact our business, financial condition, cash flows and results of operations. Due to the inherent nature of our industry, we are required to extend credit terms to our customers and in the event of defaults or disputes with our customers, we may be subject to adverse cash flows or acute working capital mismatches. The following table sets forth below details of our credit cycle, as well as our trade receivables, in the corresponding periods:

Particular	As of/ For the Year Ended March 31,		
	2024	2023	2022
Average Receivables (Number of Days)	65	39	62
Trade Receivables (₹ million)	1,098.38	518.07	503.51
Trade Receivables, as a Percentage of Revenue from Operations (%)	17.71%	10.60%	16.93%

While we have not faced any instances of default by customers the past three Fiscals, there can be no assurance that we would not be subject to such credit risks in the future. Further, in Fiscal 2024, 2023 and 2022, our Company made a provision for doubtful receivables and advance for ₹ 13.42 million, ₹9.71 million and ₹6.00 million respectively.

If a significant customer defaults on or delays payment on any order to which we have devoted significant resources, it may affect our profitability and liquidity and decrease capital resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders as well as our ability to fund payables to our suppliers, which may further result in reduced availability of raw materials and/or increased raw material costs. If we are unable to finance our working capital needs or to secure other financing, when needed, on acceptable commercial terms, it may adversely affect our business, financial condition, results of operations and prospects.

17. ***Reliance on third party transporters – We rely on third-party transportation providers for distribution of our products. Any failure by any of our transportation providers to deliver our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.***

Most of our customers are located outside Jamshedpur, Jharkhand. We depend on third parties for the delivery of the finished products to our customers located in Chennai, Bangalore, Pantnagar, Hoshiarpur, Vadodara, Madurai, Ajmer, Chhattisgarh and Pune. We are therefore significantly dependent on transportation and logistics companies that we engage with. The table below sets forth out freight outwards and clearing expenses for the Fiscals stated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Freight outwards and clearing expenses	121.18	1.95%	88.35	1.81%	68.95	2.32%

As we do not control our third-party freight and transportation providers, any disruption in supply of services by such service providers could hamper supplies and deliveries to and from our customers and suppliers. In the event that these third party logistic service providers are unable to provide services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, cash flows, financial condition, results of operations and reputation may be adversely affected.

18. ***Operational hazards – Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances.***

Our business involves complex manufacturing processes including use of heavy forging presses, overhead cranes, heat treatment furnaces, usage of gas and oil, heavy machining equipment that can be dangerous to our employees.

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 partial/ complete shutdown of such facility, adverse regulatory action, discontinuation of business by certain of our customers pending review of our operational processes and facilities and litigation. We may be required to devote significant financial resources as well as management time to address such actions and despite such actions and expenses we may not succeed in normalizing business and operations. Such 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, can adversely affect our business, financial condition, results of operations and prospects. While we maintain legally mandated insurance policies such as accident and medical insurance policies for our employees and a public liability insurance, 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 has been no such material instances, of injuries to employees, accidents, deaths, damage to property or any legal action initiated regarding such instances in the past, we cannot assure you that we will not be subject to such legal actions in the future.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects.

Our operations are also subject to operating risks associated with manufacturing, including related to handling and storage of raw materials used in our manufacturing processes. Our operations involve handling hazardous materials such as furnace oil and methanol, which can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties and the properties of others. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

While there have been no such material instances in the past, we cannot assure you that such instances will not occur in the future. The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. While we have obtained insurance coverage against fire and burglary, there can be no assurance that our insurance will be adequate to cover against such potential disruptions. For further information see section entitled "– *Our insurance coverage may not adequately protect us from all material risks and liabilities.*" on page 55. We may also face claims and litigation, in India or overseas, 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.

19. ***Labour related risk - Availability and cost of labour may adversely affect our business, financial condition, results of operations and prospects*.**

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on June 30, 2024, we had 528 permanent employees and 1,661 contractual employees and in the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our employee benefits expense were ₹ 304.23 million, ₹ 265.09 million and ₹ 201.77 million, respectively, and accounted for 5.43%, 5.92% and 7.17%, respectively, of our total expenses in such periods. We may be subject to industrial unrest, slowdowns, and increased wage costs, which may adversely affect our business, financial conditions, cash flows and results of operations. While we consider our relationship with our employees to be good and there has been no such instance in the three Fiscals, we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations.

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 any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations may be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. For example, certain contract labour suppliers engaged by our Company have not made regular deposit of statutory dues under the Employee State Insurance regulations and provident fund regulation, of contract labourers working at our sites at various points of time in the past. There can be no guarantee that we will not be held responsible for the non-payment of such statutory dues by our contractors. Any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. Further, any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

We cannot ensure that we will not be subject to work stoppages, strikes or other types of conflicts with our employees or contract workers in the future. Further, we cannot ensure that our employees will not unionize in the future. 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 key customers and suppliers, which may adversely impact our business and financial condition.

20. *Our Company, in the past, has delayed in the payment of statutory dues*

Our Company have at disparate times in the past delayed in the payment of undisputed statutory dues such as provident fund, employee state insurance, income tax, goods and service tax, cess to relevant authorities. These delays were all due to cash flow mismatch and technical reasons during these periods.

The table below sets forth details of the provident fund, ESIC, GST, Profession tax, TCS and TDS paid in the Fiscals as mentioned below:

Particulars	No. of employees to whom payable			Statutory dues paid (₹ *in million*)			Statutory dues unpaid (₹ *in million*)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Provident Fund	516	465	421	25.13	21.18	18.27	-	-	-
ESIC	139	162	176	1.27	1.27	1.25	-	-	-
Tax Deducted at Source on salaries	54	43	28	5.67	4.40	1.82	-	-	-
Tax Deducted at Source on other than salaries	NA	NA	NA	20.41	13.30	5.95	-	-	-
Tax collected at source	NA	NA	NA	2.96	3.79	3.05	-	-	-
GST	NA	NA	NA	1,829.29	1,510.54	936.73	-	-	-
Profession tax	378	331	150	0.54	0.47	0.23	-	-	-

In addition to above, our Company has outstanding dues (representing dues not paid within due date) of ₹54.01 million payable to MSMEs for the period ended March 31, 2024. While our Company has paid the interest, as applicable on delays in payment of statutory dues, we cannot assure you there will be no delays in payment of such statutory dues by our Company in the future. In addition, while no actions have been initiated against our Company in relation to the abovementioned non-compliances or delays, our Company cannot assure you that any regulatory or statutory actions will not be initiated against our Company in relation to the said non-compliances, in the future.

21. *We intend to utilise a portion of the Net Proceeds for funding the purchase of certain equipment, plant and machinery. We are yet to place orders for purchase of a majority of such equipment, plant and machinery and there can be no assurance that we will be able to place orders for such equipment and machinery, in a timely manner or at all.*

We intend to utilise a portion of the Net Proceeds for purchase of certain equipment, plant and machinery as part of our existing manufacturing facilities. While we have obtained the quotations from various vendors in relation to such equipment machinery, most of these quotations are valid for a limited period of time and may be subject to revisions, and other commercial factors. The cost of such equipment and machinery may escalate due to changes in import duties, foreign exchange fluctuations, shortage of such machines, or increase in the cost of raw material. We are yet to place orders for equipment and machinery. We have estimated the total cost of such purchase of equipment, plant and machinery to be ₹ 724.59 million out of which ₹ 700.00 million will be funded from the Net Proceeds. For further information, see "*Objects of the Offer – Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment*" on page 108. There can be no assurance that we will be able to place orders for such machineries, in a timely manner or at all.

Further, the costs of such machinery may escalate or vary based on external factors which may not be in our control. Escalations, if any, in the cost of machinery proposed to funded from the Net Proceeds will be borne by our Company either from internal accruals or external funding or any combination thereof as may be decided by our Board. If our actual expenses on equipment and machinery significantly exceed our estimates, or even if our estimates were sufficient for such purchases, we may not be able to achieve the intended economic benefits, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. We may not be able to install and duly utilise the machinery to be purchased form the Net Proceeds due to factors beyond our control such as labour shortages, inadequate performance of the equipment and machinery installed in our manufacturing facilities, defects in design or construction, the possibility of unanticipated future regulatory restrictions, taxes and duties, environment and ecology costs and other external factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, which could have an adverse impact on our growth, prospects, cash flows, results of operations and financial condition.

22. ***Our Company intends to utilise a portion of the Net Proceeds of the Fresh Issue towards the long term working capital requirements of our Company which are based on certain assumptions and estimates.***

The objects of the Offer include funding of long term working capital requirements which are based on the management estimates and certain assumptions by our Company in relation to *inter alia* sales of the products by our Company and the cost and holding periods of the inventories of the products of our Company. For details, see "*Objects of the Offer"* on page 107.

The future long term working capital requirements and deployment of funds by our Company may be subject to change due to factors beyond the control of our Company including *force majeure* conditions, an increase in defaults by our customers, unanticipated expenses, economic conditions, availability of funding from banks or financial institutions. Accordingly, such long term working capital requirements and deployment of proceeds may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

Our Company's sources of additional financing, required to meet the working capital requirements of our Company may include availing debt or issue of further equity or debt securities or a combination of both. If our Company decides to raise additional funds by availing debt, the interest and debt repayment obligations of our Company will increase and could have a significant effect on our profitability and cash flows. Further, our Company may be subject to additional covenants, which could limit the ability of our Company to access cash flows from operations. Any issuance of further equity, on the other hand, could result in a dilution of your shareholding in our Company. Accordingly, continued increases in the working capital requirements by our Company may have an adverse effect on our business, results of operations, financial condition and cash flows.

23. ***Objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institution and any variation in the utilization of our Net Proceeds as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to primarily use the Net Proceeds of the Fresh Issue for funding of capital expenditure requirements towards purchase of machinery and equipment, repayment or prepayment of outstanding borrowings, financing incremental working capital requirements and general corporate purposes, as described in section "*Objects of the Offer*" on page 107. The plans for utilizing the Net Proceeds of the Fresh Issue are based on management estimates and such intended use of proceeds has not been appraised by any bank or financial institution.

The funding requirements are based on current conditions and are subject to change in response to external circumstances, costs, other financial condition or business strategies. Our Company may have to revise its management estimates from time to time and consequently its requirements may change, which may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Any change in the Objects of the Fresh Issue may also require shareholders' approval and may involve considerable time or may not be forthcoming and in such an eventuality it may adversely affect our operations or business. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who dissent with our proposal to change the objects of the Offer, which may discourage our Promoters or our controlling shareholders from undertaking steps for the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest.

In light of these factors, we may not be able to undertake any variation in Objects of the Fresh Issue to use any unutilized proceeds of the Fresh Issue even if such variation is in our interest, thereby limiting or delaying our efforts to use the Net Proceeds to achieve profitable growth in our business.

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

The Offer includes an offer for sale of upto ₹ 2,500.00 million worth of Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale (net of expenses and taxes) will be paid to Selling Shareholders and we will not receive any such proceeds

25. ***Capital expenditure funded through the Net Proceeds of the Fresh Issue may not yield desired benefits and we may not be able to increase our overall revenues or profits from the operations of machinery and equipment purchased through the deployment of Net Proceeds.***

The deployment of Net Proceeds of the Fresh Issue is based on management estimates and growth plans, including projected growth based on increase in capacities and product suite through the deployment of additional plant and machinery at our existing facilities. However, there can be no assurance that these management estimates will hold true or that we will be able to implement our growth strategies or reap the benefits of any capital expenditure done through the deployment of the Net Proceeds.

Up to ₹ 700.00 million from the Net Proceeds are currently proposed to be deployed for funding capital expenditure requirements towards purchase of machinery and equipment. While we expect this to enhance our backward integration capabilities, there can be no guarantee that we will be able to increase sales on a commensurate basis or that we will be able to increase our overall revenue from operations in any meaningful way. Additional machinery and equipment purchased from the Net Proceeds may fail to yield the desired results on account of various factors, including non-acceptability of our products, change in technologies or the requirements of our customers.

In the event that we are unable to derive the desired benefits from such additional machinery and equipment, our future results of operations, profitability and growth may be adversely impacted.

26. ***Dependence on management - We are dependent on our Promoters, Directors and other Key Managerial Personnel and Senior Management, including other employees with technical expertise. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are led by our Promoters who are also Directors, with Sudhir Rai and Anita Rai having experience of more than 30 years in the auto component manufacturing industries and their experience and leadership has played a key factor in our growth and development. We are also dependent on our Key Managerial Personnel and Senior Management Personnel including our business heads for the day-to-day management of our business operations. Our management team of qualified and experienced professionals enables us to identify new avenues of growth and help us to implement our business strategies in an efficient manner and to continue to build on our track record of successful product offerings. Should we face high attrition, we cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any loss of, or interruption in the services of our key management personnel or senior management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business and growth. The details of the attrition of our permanent employees in the last three Fiscals are set out below:

Particulars	Three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of permanent employees attritted	19	58	41	23
Number of our permanent	3.47%	10.12%	8.04%	5.18%

Particulars	Three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
employees attritted as a percentage of number of average permanent employees (%)*				

**(Number of employee's left during the year / period) / (Number of employees at the beginning of the year / period + Number of employees joined during the year/ period).*

We depend on our ability to recruit and retain employees who have certain technical skills that are critical for us to manage our operations at desired utilization levels. If we face attrition in such skilled employees and are unable to recruit and retain a sufficient number of skilled employees to manage attrition as well as growth, then our ability to maintain our competitiveness and grow our business could be negatively affected.

27. ***Intellectual property secrecy risk – We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes and product designs, and our inability to maintain the integrity and secrecy of our manufacturing processes or our product designs may adversely affect our business.***

While we have designed certain products, possess technical knowledge about our products and design our tools in-house, our know-how may not be adequately protected by intellectual property rights. While we generally take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur.

We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition, cash flows and results of operations.

28. ***An inability to manage our growth may disrupt our business and reduce our profitability.***

As part of our growth strategy, we are committed to continuing to diversify our product offerings, customer base and geographic footprint and minimizing our exposure to individual market and segment declines. Our growth requires us to continuously invest in our operations, evolve and improve our operational, financial and internal controls and administrative infrastructure. In particular, this significantly increases the challenges involved in:

- maintaining high levels of customer satisfaction;
- acquiring new customers and increasing/maintaining contribution from existing customers;
- maintaining the quality and precision level of our products;
- arranging for adequate financial resources (whether in the form of debt or equity or a combination thereof) for planned improvements and expansions;
- obtaining required lender consents;
- managing our relations with our labour force and successfully resolving any labour disputes that may arise from time to time; and
- recruiting, training and retaining sufficient skilled technical, marketing and management personnel.

In addition, we may not be successful in implementing our strategy of expanding our existing manufacturing capabilities for existing product segments and creation of new products, expanding the revenue contribution from outside India, creating manufacturing capabilities in axle beam extrusion and backward integration capabilities into the seamless tube. An inability to manage our growth, including as a result of a failure to adequately respond to any such challenges, risks or uncertainties, may disrupt our business and reduce our profitability.

29. ***Competition risk – We face competition from both domestic as well as international players and our inability to compete effectively may have a material adverse impact on our business and results of operations.***

We face competition in India and overseas in our business, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, scope and quality of service, price and brand recognition. We compete with global competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios.

Some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. Accordingly, we may not be able to compete effectively with our competitors or may be required to reduce prices to remain competitive, which may have an adverse effect on our business, profitability margins, financial condition, results of operations and cash flows.

Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers who may have an existing relationship with our customers that may reduce or entirely replace our business with those customers.

30. ***Industry information included in this Red Herring Prospectus has been derived from an industry report prepared by CRISIL Limited exclusively commissioned and paid for by us for such purpose.***

We have used the report titled "*Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment*" dated August 2024 by CRISIL Market Intelligence & Analytics appointed on August 11, 2023, for purposes of inclusion of such information in this Red Herring Prospectus, and exclusively commissioned and paid for by our Company for purposes of inclusion of such information in the Offer Documents at an agreed fees to be paid by our Company. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. The CRISIL Report uses certain methodologies for market sizing and forecasting. Accordingly, the investor should read the industry-related disclosure in this Red Herring Prospectus in this context. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus. Also see section entitled, "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*" on page 16.

You should consult your own advisors and undertake an independent assessment of information in this Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Offer. For further information, see section entitled "*Industry Overview*" beginning on page 144. A copy of the CRISIL Report will be available on the website of our Company from the date of this Red Herring Prospectus.

31. ***Intellectual property infringement risk – We do not possess registered trademarks for our corporate logo and name and may be unable to protect ourselves from infringement of our trademarks or unauthorised passing off of counterfeit products.***

As on the date of this Red Herring Prospectus, we have applied for registration of our corporate logo and name under Class 12 as set out under Fourth Schedule of the Trade Marks Act, 1999 pertaining to vehicles and apparatus for locomotion by land, air or water and Class 99 indicating a multiclass application under Class 12 under Fourth Schedule of the Trade Marks Act, 1999 pertaining to vehicles and apparatus for locomotion by land, air or water and Clause 35 under Fourth Schedule of the Trade Marks Act, 1999 pertaining to advertising, business management, business administration, office functions, marketing, retail services & wholesale services relating to tractors, trailers, trailers equipment, structural parts for automobiles and automobiles and structural parts therefor. While our application under Class 12 as set out under Fourth Schedule of the Trade Marks Act, 1999 pertaining to vehicles and apparatus for locomotion by land, air or water dated July 31, 2020 stands opposed due to an opposition statement filed by M/s. V.R. Holdings dated March 28, 2022, our application under Class 99 is currently under examination by the Registrar of Trade Marks, Government of India. In the event that we are unable to obtain registration of our corporate logo and name, we may be unable to successfully prevent the usage of similar names or logos by other parties or the sale of counterfeit products. Any such unauthorised usage and passing off of our name, brand and logo could adversely impact our sales, goodwill and results of operations.

Further, in the absence of registered trademarks, we may be required to expend substantial resources in defending against any infringement or passing off actions. While, there have been no such instances of infringement or passing off in the past three Fiscals, there can be no assurance that we would not be subject to such infringement in the future.

32. ***Related Party Transactions – We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

We have, in the ordinary course of our business, entered into transactions with certain related parties. We have in the past and may in the future purchase goods and samples from and sell goods to related parties. The details of aggregate value of related party transactions including as a percentage of revenue for the Fiscal 2024, 2023 and 2022, are as follows:

Related parties with whom transactions have taken place	Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations
Bull Auto Parts	Sale of goods	155.98	2.51%	80.93	1.66%	83.65	2.81%
	Amount receivable	52.79	0.85%	9.98	0.20%	8.80	0.30%
Tuff Seals Private Limited	Purchase of goods	3.20	0.05%	3.19	0.07%	2.56	0.09%
	Amount payable	0.45	0.01%	0.48	0.01%	0.46	0.02%
Sudhir Rai	Remuneration	3.60	0.06%	3.15	0.06%	1.80	0.06%
	Dividend Paid	-	0.00%	7.80	0.16%	-	0.00%
	Remuneration Payable	0.25	0.00%	0.27	0.01%	-	0.00%
	Unsecured Loan payable	12.53	0.20%	12.53	0.26%	11.32	0.38%
Anita Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	3.80	0.08%	-	0.00%
	Remuneration Payable	0.14	0.00%	0.14	0.00%	-	0.00%
	Unsecured Loan payable	3.42	0.06%	3.42	0.07%	-	0.00%
Sumeet Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	0.95	0.02%	-	0.00%
	Remuneration Payable	0.14	0.00%	0.38	0.01%	-	0.00%
	Unsecured Loan payable	0.86	0.01%	0.86	0.02%	-	0.00%
Kunal Rai	Remuneration	2.40	0.04%	2.04	0.04%	0.98	0.03%
	Dividend Paid	-	0.00%	0.87	0.02%	-	0.00%
	Remuneration Payable	0.10	0.00%	0.11	0.00%	-	0.00%
	Unsecured Loan payable	0.79	0.01%	0.79	0.02%	-	0.00%
K Suresh Babu	Remuneration	0.85	0.01%	1.38	0.03%	-	0.00%
	Dividend Paid	-	0.00%	0.00	0.00%	-	0.00%
	Remuneration Payable	0.05	0.00%	0.05	0.00%	-	0.00%
Dipak Rai (HUF)	Dividend Paid	-	0.00%	0.10	0.00%	-	0.00%
Rahul Rungta	Salary	0.02	0.00%	0.10	0.00%	-	0.00%
Sangita Kumari Agarwal	Salary	0.07	0.00%	-	0.00%	-	0.00%
Debolina Karmakar	Salary	0.21	0.00%	-	0.00%	-	0.00%
	Salary Payable	0.05	0.00%	-	0.00%	-	0.00%
Sanjiv Paul	Sitting fees	0.06	0.00%	-	0.00%		0.00%
Gurvinder Singh Ahuja	Sitting fees	0.06	0.00%	-	0.00%		0.00%
Mukesh Kumar Agarwal	Sitting fees	0.03	0.00%	-	0.00%		0.00%
Deepa Verma	Sitting fees	0.06	0.00%	-	0.00%		0.00%
TOTAL		**242.91**	**3.92%**	**137.41**	**2.81%**	**111.53**	**3.75%**

Notes:

(1) The Company engages in the sale of goods to Bull Auto Parts in the ordinary course of its business and accordingly, the term "sale of goods and amount receivable' with Bull Auto Parts" with respect to the related party transactions entered into with Bull Auto Parts refers to: (i) sale of goods denotes goods sold during the particular financial year and (ii) amount receivable equals to the amount outstanding to be received as on the last date of the particular financial year.
(2) The Company engages in the purchase of goods from Tuff Seals Private Limited in the ordinary course of its business and accordingly, the term "purchase of goods and amount payable with Tuff Seals Private Limited" with respect to the related party transactions entered into with Tuff Seals Private Limited refers to: (i) purchase of goods denotes goods purchased during the particular financial year and (ii) amount payable equals to the amount outstanding to be paid as on the last date of the particular financial year.

For details of the related party transactions and as reported in the Restated Financial Information, please refer to the section titled "*Restated Financial Information – Note 40 – Related Party Disclosures*" beginning on page 289.

Such related party transactions may potentially involve conflicts of interest with equity shareholders. While all such transactions for Fiscal 2024, Fiscal 2023 and Fiscal 2022 with our related parties have been conducted on an arm's length basis and have been duly approved by our Board/ Audit Committee in accordance with the Companies Act, and are in compliance with the applicable provisions of the Companies Act, 2013 and the laws applicable to our Company during the course of the above mentioned period, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

33. *A failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may cause us to default on these agreements, which may adversely affect our ability to conduct our business and operations.*

As on June 30, 2024, our total long-term (non-current) borrowings from banks, financial institutions and related parties (excluding vehicle loans) amounted to ₹ 331.44 million, while our total short term (current) borrowings from banks including current maturities of term loans amounted to ₹ 904.10 million (excluding LC). For further information on our indebtedness, see section entitled "Financial Indebtedness" beginning on page 296.

Our ability to meet our obligations under our debt financing arrangements, which comprise term loans and working capital facility agreements, from time to time, and repayment of our outstanding borrowings will depend primarily on the cash generated by our business.

Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions including but not limited to:

- any change in the shareholding pattern, ownership, management, or control, including any dilution in the shareholding of our Promoters;
- undertake any further capex except being funded by our Company's own resources;
- any amendments to our constitutional documents;
- undertaking any merger amalgamation, compromise or reconstruction;
- prior repayment of the credit facility;
- effecting any dividend payout in case of delay in debt servicing or breach of any financial covenants; and
- undertaking any new business or operations or project or diversification of business.

These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document and may restrict or delay certain actions or initiatives that we may propose to take from time to time.

For further details see "Restated Financial Information – Note 17 – Borrowings" beginning on page 276.

While we are currently in compliance with the financial covenants specified in our financing arrangements, we cannot assure you that we will continue to comply with all covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes.

34. ***We have significant amounts of short term (current) borrowings a large part of which are repayable on demand. If we experience insufficient cash flows to enable us to fund working capital requirements or to service our short term (current) borrowings, there may be an adverse effect on our business, financial condition, results of operations and prospects.***

Our business requires a high amount of working capital, primarily on account of high inventory levels and trade receivables owing to multiple levels of operations, including backward integrated manufacturing operations as well as forward integrated warehousing. Hence, we have availed a significant amount of short term (current) borrowings to enable us to finance our operating cycle. The details of our net working capital requirements for Fiscal 2024, Fiscal 2023 and Fiscal 2022, is as follows:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Working Capital (*in ₹ million)*	1,463.73	870.96	829.42
Net Working Capital days*	86	65	102

** Net Working Capital days is calculated as Net Working Capital divided by Revenue from Operations multiplied by 365*

Set forth below are details of our short term (current) borrowings as a percentage of total borrowings and debt service coverage ratio:

(in ₹ million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Short term (current) borrowings (working capital)	945.79	611.20	623.28
Total borrowings*	1,171.04	881.90	860.56
Short term (current) borrowings as percentage of total borrowings (%)	80.76%	69.30%	72.43%
Debt service coverage ratio (*in time*)**	2.15	1.52	1.74

**Excluding lease liabilities*
***Debt service coverage ratio is calculated as Net Profit after taxes plus Non-cash operating expenses plus Interest expense divided by Interest and lease payments plus Principal Repayments*

For further information on our short term (current) borrowings, including the key terms of agreements with our lenders for such short term (current) borrowings, see section entitled "*Financial Indebtedness*" beginning on page 296.

If a substantial portion of our short term (current) borrowings are recalled by respective financial institutions at a short notice and we are unable to replace such facilities in time or on comparable terms, we may be deemed to be in default of the respective loan covenants and may be subject to adverse actions which will adversely affect our financial condition.

For further details see "*Restated Financial Information – Note 17 – Borrowings*" beginning on page 276.

35. ***An adverse determination in a significant product liability or performance improvement claim or significant replacement costs may adversely affect our business, financial condition, results of operations and prospects.***

The use of our products, often under extreme conditions, carries an inherent risk of product liability claims arising from personal injury, death or property damage due to equipment failure, work accidents, fire or explosion, if our products are defective or are used incorrectly by our customers (or by their customers, who are the end-users).

As a part of our supply agreements with our customers, we provide certain warranties for our products and the OEMs in-turn offer similar warranties to their customers. In case of a failure, if it is determined that the failure was on account of a manufacturing defect in our products, we are typically required to promptly correct or replace those defective products at our own expense and prepare a written corrective action plan, failing which, we may be required to reimburse our OEM customers at part acquisition cost, with additives to cover administrative, labour, material and other such costs. The standard warranty period for our products is up to 12 months but, in the case of certain specified types of equipment in which our components are used, may extend to 24 months or longer. Further, we may be subject to claims arising from alleged, suspected or actual defects in the products that we manufacture, within the warranty periods extended by us, which may require us to conduct product recalls, or we may be required or requested to participate in product recalls conducted by our OEM customers due to alleged, suspected or actual defects in equipment manufactured by them for their own customers. Provisions for warranties and expenses related to warranties for Fiscals 2024, 2023 and 2022 are as under:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of revenue of operations	Amount (₹ in million)	% of revenue of operations	Amount (₹ in million)	% of revenue of operations
Provision for warranties	15.83	0.26%	8.22	0.17%	1.48	0.05%
Expenses related to warranties	14.98	0.24%	7.76	0.16%	1.48	0.05%

There is a risk that we may incur higher than expected warranty or performance improvement costs or become aware of a defective or underperforming product.

Where we have not entered into warranty agreements with certain of our customers, our customers can raise debit notes equal to or more than the selling price of the products that are rejected and physically returned to us or scrapped at the customer's end after our approval.

In the event that any significant product liability, performance improvement or replacement claims are brought against us, it may adversely affect our business, financial condition, results of operations and prospects. Further, in the event of any future accident or liability involving our products, our customers may delay or withhold payments to us and/or seek to enforce warranty or performance improvement claims against us, and which in turn may, to that extent, diminish our reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively, which may adversely affect our business, financial condition, results of operations and prospects.

36. ***Failure or disruption of our IT systems, or cybercrimes or similar disruptions, may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology ("**IT**") and/or ("**ERP**") solutions to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes on the shop floor, financial accounting and scheduling raw material purchase and shipments. We rely on our IT infrastructure to provide us with connectivity and data backup across our locations and functions.

We believe that we have deployed adequate IT disaster management systems including data backup and retrieval mechanisms, in all our facilities. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage our creditors and debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects. While there have been no material disruptions in the operation of these systems in the past, we cannot assure you that such disruptions in the operation of these systems will not occur in the future.

In addition, our systems and proprietary data stored electronically may be vulnerable to ransomware attacks, computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems or those of our customers were to occur, data related to our customers, products, product development pipeline, payment systems and other information could be compromised.

37. ***Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations.***

Our financial statements are presented in Indian Rupees. However, our revenue are influenced by the currencies that we export in as well as by currencies of countries from where we procure our plant and machinery. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, and GBP, may have a material impact on our results of operations, cash flows and financial condition.

The table below sets forth details of our exports and the details of our plants and machineries procured from other countries:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in millions)	% of revenue from operations	Amount (₹ in millions)	% of revenue from operations	Amount (₹ in millions)	% of revenue from operations
Exports	70.97	1.14%	14.99	0.31%	26.21	0.88%
Purchase of Plant and Machinery from outside India (to the extent quatifiable)	18.68	0.30%	11.04	0.23%	6.69	0.22%
Total	89.65	1.44%	26.03	0.54%	32.90	1.10%

We currently do not hedge our foreign currency exchange risk and thus any adverse movement in currency exchange rates may have an adverse impact on our business operations, financial conditions, results of operations and cash flows from the full effects of exchange rate fluctuations.

38. ***We have substantial capital expenditure and working capital requirements and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.***

Our business is capital intensive. We have expanded and upgraded our existing manufacturing facilities in the last three Fiscals. The following table sets forth details of our capital expenditure (i.e. payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development)) as a percentage of gross block (i.e. cost of property, plant and equipment, capital work-in-progress, cost of intangible assets) in the years indicated:

As of / For the Year ended March 31, 2024		As of / For the Year ended March 31, 2023		As of / For the Year ended March 31, 2022	
Capital Expenditure* (₹ million)	% of the Gross Block**	Capital Expenditure* (₹ million)	% of the Gross Block**	Capital Expenditure* (₹ million)	% of the Gross Block**
271.30	16.16%	185.95	13.30%	123.18	10.07%

**Capital Expenditure comprises payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development).*
*** Gross Block comprises cost of property, plant and equipment, capital work-in-progress and cost of intangible assets.*

Further, as at March 31, 2024, March 31, 2023 and March 31, 2022, our working capital requirement was ₹ 1,463.73 million, ₹ 870.96 million and ₹ 829.42 million, respectively. We intend to fund purchase of certain equipment and machinery as well as our incremental working capital requirements from the Net Proceeds and the total amount to be financed from Net Proceeds for such capital expenditure and working capital is approximately ₹ 700.00 million and ₹ 300.00 million, respectively. For further information, see "*Objects of the Offer – Details of the Objects*" on page 108.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the industries we operate.

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

In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of manufacturing and other work before payment is received from customers. Our inability to obtain adequate amount of working capital at such terms which are favourable to us and in a timely manner or at all may also have an adverse effect on our results of operations, cash flows and financial condition. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition.

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

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

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these are not defined terms under Ind AS, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

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

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

Name	Number of Equity Shares held	Average Cost of Acquisition per Equity Share (in ₹) *
Sudhir Rai	31,200,140	1.91
Anita Rai	15,199,816	1.69

* *As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and build-up of Equity Shares by our Selling Shareholders in our Company, see "*Summary of the Offer Document – Average cost of acquisition of Equity Shares to our Promoters and the Promoter Selling Shareholders*" on page 25.

41. ***We are subject to various laws and regulations in jurisdictions where we operate including environmental and health and safety laws and regulations. Failure to comply with regulations or maintain approvals may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.***

Our operations are subject to central, state, local and foreign laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes and mandatory certification requirements for our facilities and products. For regulations and policies applicable to our Company, see the section titled "*Key Regulations and Policies in India*" beginning on page 223. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India and are subject to inspections from the relevant authorities in order to maintain such approvals.

There can be no assurance that we will be in compliance at all times with such laws, regulations and the terms and conditions of any such consents or permits. For example, as of June 2024, our Company employed 528 permanent employees and 1,661 contractual employees which is in excess of the maximum number of workers allowed to be employed at out premises under the relevant factory licenses. We are currently under the process of applying for a fresh application to increase the number of permissible workers at our factory premises. While we have not been fined or otherwise sanctioned in the last three Fiscals which could have a significant impact on our business, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations. If we fail to comply with such laws and regulations, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition.

We are required to obtain various regulatory approvals and registrations for our operations, including consents from the local pollution control boards in India to establish and operate our manufacturing facilities in India, and registrations with the relevant tax and labour authorities in India amongst others, some of which may expire in the ordinary course and for which we would be required to make applications for renewal from time to time. For further information, see section entitled "*Government and Other Approvals*" beginning on page 339. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or non-compliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

In addition, some of our principal customers are OEMs and tier 1 suppliers to M&HCV and farm equipment OEMs, whose operations are geographically diverse and subject to or affected by a wide array of regulations in the jurisdictions where they operate, such as applicable environmental and health and safety laws and regulations. As a result of changes in regulations and laws outside India, our customers may choose to voluntarily follow and cause their suppliers to follow additional regulations which may not be applicable to us in India. Such changes in laws, regulations and additional requirements may increase our cost of compliance, divert management bandwidth away from other areas and may cause us to discontinue or limit certain operations which will adversely impact our business and results from operations. As a result of these factors, demand for our products may be negatively affected by regulations adversely impacting the industries and geographies in which our principal customers operate.

42. ***If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.***

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 and employee removal and legislation that imposes financial obligations on employers upon retrenchment and periodic revisions to minimum wage. We are also subject to international, federal, 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. Recently, 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, all of which will be brought into force on a date to be notified by the Central Government. For further information, see section entitled "*Key Regulations and Policies in India*" beginning on page 223. 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 and adversely affect our profitability. Further, we may be subject to changing judicial interpretation of the relevant statutes, which may adversely affect our cash flows and profitability. For instance, the Supreme Court of India in a recent judgment has upheld the circular dated March 20, 2019 issued by the Employees' Provident Fund Organisation, which excludes certain allowances from the definition of 'basic wages' of the relevant employees for the purposes of determining contribution to provident fund under the EPF Act and while we typically assess the impact of such developments on our operations and expenses, we cannot assure that we will not be adversely affected by such developments in the future.

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.

43. ***Our manufacturing facilities are dependent on adequate and uninterrupted supplies of power and fuel; shortage or disruption in power or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.***

Adequate and cost-effective supply of power and fuel is critical to our manufacturing facilities. Set out below are the details of our power and fuel costs for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	**Fiscal 2024**			**Fiscal 2023**			**Fiscal 2022**		
	Amount (*in ₹ million*)	**% of total revenue from operations**	**% of operating costs[(1)]**	**Amount (*in ₹ million*)**	**% of total revenue from operations**	**% of operating costs[(1)]**	**Amount (*in ₹ million*)**	**% of total revenue from operations**	**% of operating costs[(1)]**
Power and fuel costs	256.63	4.14%	4.71%	158.38	3.24%	3.64%	79.82	2.68%	2.92%

(1) Operating costs means total expenses less finance cost

We depend entirely on Jamshedpur Utilities and Services Company for our supply of electricity and any breakdowns or supply cuts by Jamshedpur Utilities and Services Company may lead to disruption in our operations and manufacturing process. While we have stand-by captive generator sets for Unit I, our remaining manufacturing units are not covered under any captive generators. Accordingly, there can be no assurance that Unit I will continue to remain functional at an optimal level at all times or that we will be able to avoid disruptions in our operations due to any power cuts by Jamshedpur Utilities and Services Company. Power costs represent a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. While we have not encountered any significant interruptions to our operations in the past three Fiscals, on account of electricity supply disruptions, there can be no assurance that we will not face any major interruptions in future which could result in a disruption in our operations. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. Further, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. The cost of such purchased power would be significantly higher, thereby adversely affecting our cost of production and profitability.

Our operations and facilities are dependent on a steady and stable availability of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. While we have not faced any issues in relation to availability of water in the past three Fiscals, we cannot assure you that we will always have access to sufficient supplies of water in the future to accommodate our production requirements and planned growth. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power or water, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

44. ***Our operations are dependent on research and development. If we are unable to continuously develop new***

products or optimise our processes then our ability to grow, including by expanding our presence across different end-user industries, and, or, compete effectively, might be compromised, which would have an adverse impact on our business and financial condition.

Research and development ("**R&D**") activities are integral to our business, and we rely on constant R&D for developing and customisation of our products and solutions. Our ability to deliver high precision multi-purpose products is significantly enhanced by our dedicated R&D team situated at our manufacturing facilities in Jamshedpur, Jharkhand. R&D is a critical aspect of our product development and is integral to our process optimisation which ensures that we continue to evolve with the changing industry landscape.

As of June 30, 2024, our R&D team aggregated 22 employees. Further, we believe that continuous R&D is critical to our continued growth and business prospects and we expect to continue deploying significant resources including financial resources towards R&D. If we are unable to continuously develop new products or optimise our processes, our ability to grow, including by expanding our presence across different end-user industries, and, or, compete effectively, might be compromised, which would have an adverse impact on our business and financial condition.

45. ***Our operational flexibility may be limited in certain respects on account of our obligations under some of our customer agreements, terms of purchase and established practices.***

We conduct business with our customers on the basis of agreements, terms of purchase or established practices. Our pricing terms and payment cycles are generally set out in advance in our customer contracts or purchase orders and we also renegotiate/ reset prices on a periodic basis including for adjustments beyond a specified range in the event of significant unanticipated changes in, for instance, raw material prices or currency exchange rate fluctuation. 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. For instance, in the event of any inability to deliver our products on a timely basis, we may be subject to certain penalties including the requirement to bear additional freight costs under the terms of our arrangements with our customers. In Fiscals 2024, 2023 and 2022, our freight, transportation and handling charges was ₹ 216.53 million, ₹ 160.24 million and ₹ 129.12 million, respectively, and accounted for 3.87%, 3.58% and 4.59%, respectively, of our total expenses.

Due to the packaging, transport and labelling laws that apply to our customers in the jurisdictions in which they operate, we are also required to adhere to standards specified by our customers in relation to the delivery of our products to them and any non-conformity with such specifications may result in the rejection of an order even where there is neither any defect in our product nor any delay or deficiency in the delivery. In the event that we are unable to adhere to specified safety, quality and competitive standards and specifications on packaging transport and labelling, including in relation to on-time delivery or on-site or off-site inspections of our products and facilities or in relation to our committed reporting requirements or the requirement to obtain adequate product liability insurance, we may not be able to continue to enjoy our relationships with such major customers on the same terms over the long-term, or at all. In the last three Fiscals, we have not incurred any further costs towards non-fulfilment of customer claims.

Some of our customer arrangements also require us to obtain the prior approval of our customers before implementing any significant change in manufacturing method, supplier base, factory location, part specification or shipment carrier or prior to sub-contracting or assigning any of our obligations. There can be no assurance that any such consent, if sought by us, will be received within a reasonable time or at all. While general terms of business or established practices with major customers generally allow us a right of consultation as to difficulties faced by us or provide for certain decisions or adjustments to be made as per mutual agreement, our customers are generally permitted under the terms of such agreements to exercise a high level of discretion. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and prospects.

Further, under the terms of business with some of our customers, we are required to provide an annual cost reduction in relation to our products. Although we continue to focus on value engineering and process innovation, there can be no assurance that such initiatives will enable us to maintain or improve our margins.

Any significant cost reductions that we are not able to compensate for through value engineering and process innovation may, therefore, reduce our profitability.

We are also bound by confidentiality obligations under our non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs, drawings, prototypes and any other intellectual property or proprietary data that may have been shared with us by our customers. While we believe that we have not been in breach of any such confidentiality obligations, 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.

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

Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see section entitled "*Our Business – Installed Capacity and Capacity Utilization*" on page 216.

47. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. While there have not been any material instances of non-adherence with internal controls in the past three Fiscals, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

48. ***Our insurance coverage may not adequately protect us from all material risks and liabilities.***

Our Company's operations are subject to various risks and hazards which may adversely affect revenue generation and profitability of our Company. While our Company believes that it has taken adequate safeguards to protect our Company's assets from various risks inherent in our Company's business, including by purchasing and maintaining relevant insurance cover, it is possible that our Company's insurance cover may not provide adequate coverage in certain circumstances.

As on March 31, 2024, our insurance coverage was 1.20 times of our net assets. While our Company believes that we maintain sufficient insurance cover by virtue of maintaining insurance policies, certain types of losses may be either uninsurable, not economically viable to insure or not offered for insurance. If any uninsured loss occurs, our Company could lose our investment in, as well as anticipated profits and cash flows from the assets which have been adversely impacted by such incidence. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. There is no instance where in company has invoked insurance policy in last 3 years except for some vehicle insurance. Further, even in the case of an insured risk occurring there can be no assurance that our Company will be successful in claiming insurance in part or full, or that the insurance purchased by us will be sufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance, or for which our Company is unable to successfully claim insurance, or which is in excess of the insurance cover, or where the claim is not settled by insurance company in reasonable duration could, in addition to damaging our Company's reputation, have an adverse effect on our Company's business, cash flows, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our Company's insurance premium.

In addition, our Company's insurance coverage expires from time to time. Our Company will apply for the renewal of our insurance coverage in the normal course of its business, but our Company cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that our Company suffer loss or damage for which it did not obtain or maintain insurance, and which is not covered by insurance or exceeds our Company's insurance coverage or where its insurance claims are rejected, the loss would have to be borne by our Company and its results of operations, cash flows and financial condition may be adversely affected.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

49. *Our Company, certain of our Directors and Promoters are involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition and our contingent liabilities which have not been provided for may adversely affect our financial condition.*

Our Company, our Promoters and certain of our Directors are currently involved in a number of legal proceedings, pending at different levels of adjudication before various courts and tribunals. A summary of outstanding litigation and the monetary amount involved in the cases we are currently involved in is mentioned in brief below:

Particulars	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of disciplinary actions by the SEBI or the Stock Exchanges against our Promoters	Number of material civil proceedings *	Aggregate amount involved (in ₹ million)^
Company						
Against our Company	Nil	8	Nil	Nil	Nil	72.43
By our Company	5	Nil	Nil	Nil	Nil	3.97
Directors						
Against our Directors	Nil	2	Nil	Nil	Nil	0.36
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
Against our Promoters	Nil	2	Nil	Nil	Nil	0.36
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Group Company						
Outstanding litigation that has a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

**Determined in accordance with the Materiality Policy*
^To the extent quantifiable

For further details on the outstanding litigation matters involving our Company, its Promoters, its Directors and Group Company, see "*Outstanding Litigation and Other Material Developments*" at page 335.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and have to make further provisions in our financial statements, which could increase our expenses and our liabilities. There can be no assurance that the provisions we have made for litigation will be sufficient or that further litigation will not be brought against us in the future. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Further, delay in settlement of statutory dues, vendor payments and employee settlement cases may also have an adverse impact on us.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favour. Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation.

50. ***We have not complied with certain corporate governance requirements in the past.***

Pursuant to a resolution of our shareholders dated January 13, 2017, our Company was converted into a public company limited by shares. As a public company, under the provisions of the Companies Act, 2013, we were required to undertake certain corporate governance related actions, which we have not done in the past.

We have in the past had certain non-compliance with corporate governance norms, specifically with regard to non-appointment of necessary number of independent directors to our Board and consequent non-compliance with the requirements of constitution of Audit Committee, committee of independent directors and corporate social responsibility. In respect of each of the above non-compliances, we have taken corrective actions by appointment of necessary number of Independent Directors and have filed the forms with the ROC.

While we have not been subject to any penal action on account of the aforementioned non-compliances, we have since then undertaken corrective action in respect of the above non-compliances and have further filed a compounding application with the RoC for compounding of the offences in relation to allotment of Equity Shares in physical form, while being required to issue Equity Shares only in dematerialised form. As on dated of this Red Herring Prospectus, the compounding application is filed and is pending with the Ministry of Corporate Affairs. There can be no assurance that we would not be subject to penal action in the future for such non-compliances.

51. ***We have not incurred certain required portions of our profits towards corporate social responsibility requirements under the Companies Act 2013.***

The Companies Act, 2013 stipulates the requirement of formulation of a corporate social responsibility policy and mandates our Board of Directors to ensure that our Company spends, in each Fiscal, at least two percent of the average net profits of our Company during the three immediately preceding Fiscals, in accordance with its CSR policy. In Fiscal 2024, 2023 and 2022, while our Company has made profits and accordingly allocated certain portion of such profits towards CSR activities formulated under our CSR policy, our Company has not incurred the requisite portion of the expenditure towards such activities in Fiscals 2022. The following table sets forth the details with respect to the gross amount required to be spent, amount approved by the Board and total amount spent towards the CSR activities in the years indicated:

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Gross amount required to be spent by our Company during the year (₹ million)	4.41	1.81	1.39
Amount approved by the Board during the year (₹ million)	4.41	1.81	1.39
Total amount spent during the year (₹ million)	3.70	3.33	-
Shortfall at the end of the period (₹ million)	0.71	(1.52)	1.39
Cumulative Shortfall (₹ million)	5.81	5.10	6.62

We may be subject to imposition of notices or penalties under the Companies Act, 2013 from the Ministry of Corporates Affairs, Government of India for non-compliance in relation to our CSR expenditure, which could adversely affect our reputation and results of operations.

52. ***Our contingent liabilities and other commitments as stated in our Restated Financial Information could adversely affect our financial condition.***

As on March 31, 2024, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Commitment, that have not been provided for in our results of operations were as follows:

(*in ₹ million*)

Particulars	As at March 31, 2024
Contingent Liabilities	
Excise duty and service tax matters	27.67
GST and VAT matters	27.31
Income tax matters in dispute	17.46
Bills discounted with Kotak Mahindra Bank*	315.50
Commitments	
Capital Commitment Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account	99.17

**Bills Discounted with recourse to the Company with Kotak Mahindra Bank*

We have not made provisions for the above contingent liabilities and commitments, as they are either possible obligations whose existence will be confirmed only by future uncertain events outside the control of our Company or are present obligations where the outflow of economic resources may not be probable or cannot be measured reliably. If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see section entitled "*Restated Financial Information – Note 34 – Contingent Liabilities and Commitments*" on page 283.

53. ***Our Promoters and certain of our Directors, Key Managerial Personnel and Senior Management Personnel have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoters and certain of our Directors, Key Managerial Personnel and Senior Management Personnel may be regarded as having an interest in our Company or having benefits other than the reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters and certain of our Directors, may be deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares.

For instance, we have availed a principal amount of ₹ 17.60 million as of March 31, 2024 from certain of our Promoters and Directors, which may be recalled at any time and our Company may need to borrow monies at higher rates of interest than presently available or utilise our Company's internal accruals, which may have an adverse impact on the profitability and future growth of our Company. The current loan given by our promoters are interest free loans. The table below sets forth the loans availed from our Promoters and Directors as a percentage of our total borrowings for the past three Fiscals:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total borrowings	Amount outstanding (in ₹ million)	% of total borrowings	Amount (in ₹ million)	% of total borrowings
Loans availed from our Promoters*	17.60	1.49%	17.60	1.99%	11.32	1.32%

**The Promoters identified above are also our Directors.*
***Including lease liabilities*

Further, we cannot assure you that our Promoters and Directors, will exercise their rights as shareholders to the benefit and best interest of our Company under all circumstances. For further details, see sections entitled "*Capital Structure*", "*Our Management – Interest of Directors*", "*Our Promoters and Promoter Group – Interests of the Promoters*" beginning on pages 88, 236 and 248, respectively.

Our Promoters, namely, Sudhir Rai, Anita Rai, Sumeet Rai and Kunal Rai have provided their personal guarantee for certain loans availed by our Company from banks and financial institutions with respect to the sanctioned facilities from Axis Bank Limited, HDFC Bank Limited, DBS Bank India Limited. Further, Sudhir Rai and Anita Rai have also given personal guarantee with respect to the loan availed by our Company from Siemens Financial Services Private Limited. Further, our Promoters may continue to provide similar guarantees in the future. In case our promoters refuse to give similar kind of guarantee in future then it will have impact on our business and financial conditions. For further details, see "*History and Certain Corporate Matters— Details of guarantees given to third parties by our Promoters participating in the Offer for Sale*" on page 230 and "*Financial Indebtedness – Principal terms of the facilities sanctioned to our Company – Security*" on page 303.

54. ***All of our immovable properties from where we operate are leased to us. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

All the land parcels on which our facilities are established are held by us on leased premises from third parties, which are leased on long term basis in some cases and on short-term basis in other cases. Further, none of the properties leased to us on which our facilities are located are leased from any related parties as reported in the Restated Financial Information. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. The table below sets forth the total amount of rent paid for all the leased properties as a percentage of the total revenue from operations for the past three Fiscals:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations	Amount (in ₹ million)	% of Revenue from Operations
Short term and long term lease paid	12.18	0.20%	7.91	0.16%	7.77	0.25%

For further information on our immovable properties, see section entitled "*Our Business – Properties*" on page 222.

In the event that we are unable to renew our lease arrangement within time in the future, we may be required to vacate our current premises and make alternative arrangements for new offices and other infrastructure. We cannot assure you that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities 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.

55. ***If we are unable to raise additional capital, our business prospects could be adversely affected.***

We intend to fund our future strategy primarily through our internal accruals and borrowings from financial institutions. We will continue to incur expenditure in maintaining and growing the manufacturing infrastructure at our existing manufacturing facilities. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our internal accruals and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans.

Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on favourable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

56. ***Our Company may not be able to pay dividends or issue bonus shares in the future. Our ability to pay dividends or issue bonus shares in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. Further, our ability to issue bonus equity Shares would be subject to amounts lying to the credit of various reserves of our Company and there can be no assurance that we will have sufficient reserves or profits in the future to issue bonus Equity Shares. For example, the total reserves & surplus of the Company prior to the bonus issue of November 9, 2023, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million. As a result, we may not declare dividends or issue bonus Equity Shares 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. For further information, see section entitled "*Dividend Policy*" beginning on page 252.

57. ***Our Promoters and Promoter Group will retain majority shareholding in our Company following the Offer, which will allow them to exercise significant influence over us and may cause us to take actions that are not in our or your best interest.***

After the completion of this Offer, our Promoters and Promoter Group will collectively hold [●]% (subject to finalisation of Basis of Allotment and upon transfer of all Offered Shares) of our Company's issued and outstanding Equity Shares. So long as our Promoters and Promoter Group own a significant portion of our Equity Shares, they will be able to significantly influence the election of our Directors and control most matters affecting our Company, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of our Company. The interests of our Promoters and Promoter Group, as the controlling shareholders of our Company, may also conflict with our Company's interests or the interests of our Company's other shareholders.

58. ***A downgrade in our credit ratings, may affect our Company's ability to avail of debt and could also impact the trading price of the Equity Shares.***

Our Company's borrowing costs and our access to the debt capital depend significantly on our credit rating. The credit rating of our Company's borrowings and the credit rating for the current Fiscal is set out below:

Particulars	Rating	Rating Agency
Fiscal 2024		
Fund-based working Capital limit	IND BBB+/Positive/IND A2	India Rating and Research Private Limited
Non-fund based working capital limit	IND A2	
Term Loan	IND BBB+/Positive	

Lower levels of credit rating, generally, result in a higher rate of interest and, consequently, greater cash outflows. Any downgrade of our Company's credit rating by the debt rating agencies for the debt availed by our Company may adversely impact our Company's ability to obtain further financing and, or, increase the rate of interest at which we are able to avail such borrowing and such increased cost of borrowing will adversely impact our Company's profitability. Further, any difficulty in obtaining, or failure to obtain, sufficient funding in a timely manner could result in the delay, or abandonment of our Company's growth plans and have an adverse impact on the business, cash flows and financial conditions of our Company.

59. ***Certain of our Promoter Group entities and Group Companies are in businesses similar to ours and this may result in conflict of interest with us.***

Our Promoter Group entity and Group Company namely Tuff Seals Private Limited and our Promoter Group entity, Bull Auto Parts are authorized to engage in businesses which are complementary to our business. As these entities are in similar lines of business to our Company, there can be no assurance that conflicts of interest will not occur between our business and the businesses of such entities, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

60. ***Majority of our Independent Directors do not have prior experience of holding a directorship in a company listed on the Stock Exchanges***

While our Board members have relevant experience in their respective fields, which we believe shall benefit the Company, in strategizing the direction and vision of the Company, majority of our Independent Directors do not have any prior experience in holding a directorship in a company listed on the Stock Exchange. Our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable laws post listing of the Equity Share on the Stock Exchanges.

EXTERNAL RISK FACTORS

Risks related to Equity Shares and the Offer

61. ***Our 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. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined in consultation with the BRLM through the 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 be subject to significant fluctuations in response to, among other factors, variations in our results of operations, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

62. ***Currency exchange rate fluctuations may affect the value of the Equity Shares.***

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased and Rupees may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company's market valuation could be significantly harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Company's results of operations and financial condition.

63. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Manager is below their respective issue prices.***

There has been no public market for our Equity Shares prior to the Offer. The determination of the Price Band is based on various factors and assumptions and will be determined by our Company, in consultation with the Book Running Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" beginning on page 128 and may not be indicative of the market price for the Equity Shares after the Offer. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment. The Offer Price, multiples and ratios 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.

Set forth below are details of our revenue from operations and profit after tax for Fiscals 2024, 2023 and 2022:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	6,202.50	4,886.28	2,974.55
Profit for the period/year	448.81	309.31	121.69

Our price to earnings ratio at Offer Price for Fiscal 2024 is [●].

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see section entitled "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM*" on page 354. The factors that could affect the market price of the Equity Shares include, among others, results of operations that vary from the expectations of research analysts and investors, results of operations that vary from those of our competitors, changes in expectations as to our future financial performance, including financial estimates by research analysts and investors, conditions in financial markets, including those outside India, a change in research analysts' recommendations, announcements by us or our competitors of new products, significant acquisitions, strategic alliances or joint operations, claims or proceedings by third parties or governmental entities of significant claims or proceedings against us, new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry, developments relating to our peer companies, additions or departures of Key Managerial Personnel and Senior Management, general economic and stock market conditions and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

64. ***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. Therefore, QIBs and Non-Institutional Bidders would not be able to withdraw or lower their Bids, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, between the dates of the submission of their Bids and the Allotment.

Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within three Working Days from the Bid/ Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

65. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they***

purchase in the Offer.

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

66. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 88, we cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

67. ***There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and if they are listed you may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on the stock exchanges.***

In accordance with Indian law, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares can commence. There can be no guarantee that these actions will be completed in a timely manner or at all and as a result our Equity Shares may not be listed on the Stock Exchanges in a timely manner or at all.

In accordance with the current regulations and circulars issued by SEBI, the Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner, in accordance with timelines prescribed under the UPI Circulars, or at all. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investors' demat account, are listed and permitted to trade. Since the Equity Shares will be traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when Equity Shares Allotted are listed and permitted to trade. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and such Equity Shares are expected to be credited to the demat accounts of the Investors within approximately three working days from the Bid/ Offer Closing Date (or such other period as prescribed under applicable laws). In addition, upon receipt of listing and trading approval from the Stock Exchanges, trading of Equity Shares is expected to commence within three Working Days from Bid/ Offer Closing Date (or such other period as prescribed under applicable laws). There could be failure or delays in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor.

We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

68. ***If our Company does not receive the minimum subscription as required under applicable law, the Offer may fail.***

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/ Offer Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under this Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company shall pay interest at the rate of 15% per annum or such other interest rate as prescribed under applicable law.

69. ***Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

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

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

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

Risks Related to India

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia, Europe, and the United States of America. In particular, the ongoing military conflicts between Russia and Ukraine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The outbreak of COVID-19 had significantly affected financial markets around the world. Any other such pandemic, epidemic, endemic, outbreak or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets. It may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

In addition, India has experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerilla activity or other types of civil disorder. Acts of violence, terrorist attacks, regional conflicts or situations or war may also adversely affect the financial markets, which may impact our business. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand.

72. ***Our failure to comply with trade restrictions such as economic sanctions and export controls could negatively impact our reputation and results of operations.***

We may be subject to trade restrictions, including economic sanctions and export controls, imposed by governments around the world with jurisdiction over our operations, which prohibit or restrict transactions involving certain designated persons and certain designated countries or territories. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts, and other remedial measures. Investigations of alleged violations can be expensive and disruptive. As part of our business, we may, from time to time, engage in limited sales and transactions involving certain countries that are targets of economic sanctions, provided that such sales and transactions are authorized pursuant to applicable economic sanctions laws and regulations. Our Company has not been subject to, and the jurisdictions in which our Company operates have not been subject to economic sanctions, export controls or such other restrictions in the last three Fiscals, the current Fiscal and as on the date of this Red Herring Prospectus. However, we cannot predict the nature, scope, or effect of future regulatory requirements, including changes that may affect existing regulatory authorizations, and we cannot predict the manner in which existing laws and regulations might be administered or interpreted.

In addition, any perceived or actual breach of compliance by us with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, negatively impact investor sentiment about our Company, require us to expend significant funds to remedy problems caused by violations and to avert further violations, and expose us to legal risk and potential liability, all of which may have a material adverse effect on our reputation, business, financial condition, and results of operations.

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

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

74. ***Investors may not be able to enforce a judgment of a foreign court against our Company, Directors, Key Managerial Personnel, Senior Management in Indian courts.***

Our Company is incorporated under the laws of India. A majority of our Company's assets are located in India and all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

The Civil Code stipulates that judgements passed by superior courts of a reciprocating territory (as notified by the central government in the Official Gazette) is enforceable in India as if it were a decree passed by the Indian district courts. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, United Arab Emirates, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States 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, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for 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 recognise 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. Further, there may be considerable delays in the disposal of suits by Indian courts.

However, the party in whose favour 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 or other such jurisdiction within three years of obtaining such final judgment 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.

75. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

76. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control which may have an adverse effect on our business and result of operations.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulations, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

77. ***If inflation were to rise in India, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers and our profits may decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

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 pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

Under the foreign exchange 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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior 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 income tax authority. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm’s length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

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

79. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Our business, results of operations and financial condition could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one tax with effect from July 1, 2017, and all subsequent changes and amendments thereto.

The Government of India announced the union budget for 2025, following which the the Finance (No.2) Act, 2024 was enacted which inter alia increased the rate of taxation of short term capital gains and long-term capital gains arising from transfer of an equity share. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

The Finance Act has also 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.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

80. ***Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the generally accepted accounting principles in the US ("US GAAP") and International Financial Reporting Standards ("IFRS"), which may be material to investors' assessment of our financial condition.***

The financial statements included in this Red Herring Prospectus have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly. In addition, 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.

81. ***Holders of our 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 incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of 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 law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

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

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

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market and trading for our Equity Shares.

SECTION IV: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

The Offer comprises	
Offer of Equity Shares	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 5,000.00 million
of which	
Fresh Issue[(1)]	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million
Offer for Sale[(2)]	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million by the Promoter Selling Shareholders
The Offer consists of	
A) QIB Portion[(3)(4)]	Not more than [●] equity shares of face value ₹ 5 each
of which:	
Anchor Investor Portion	Up to [●] equity shares of face value ₹ 5 each
Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	Up to [●] equity shares of face value ₹ 5 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] equity shares of face value ₹ 5 each
Balance of the Net QIB Portion for all QIBs, including Mutual Funds	Up to [●] equity shares of face value ₹ 5 each
B) Non-Institutional Portion[(5)(6)(7)]	Not less than [●] equity shares of face value ₹ 5 each
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size between ₹ 0.20 million to ₹ 1.00 million	[●] equity shares of face value ₹ 5 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] equity shares of face value ₹ 5 each
C) Retail Portion[(5)(6)]	Not less than [●] equity shares of face value ₹ 5 each
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Red Herring Prospectus)	54,092,756 equity shares of face value ₹ 5 each
Equity Shares outstanding after the Offer	[●] equity shares of face value ₹ 5 each
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 107 for information about the use of the Net Proceeds of the Offer. Our Company will not receive any proceeds from the Offer for Sale.

[(1)] The Offer has been authorised by a resolution of our Board of Directors dated October 21, 2023, and a special resolution of our Shareholders dated October 26, 2023.

[(2)] Each of the Promoter Selling Shareholders, severally and not jointly, have confirmed their participation of their respective portion in the Offer for Sale vide their consent letters each dated November 8, 2023 and our Board has taken on record the participation of the Promoter Selling Shareholders in the Offer for Sale pursuant to a resolution dated November 9, 2023. Each of the Promoter Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Promoter Selling Shareholders for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled "Other Regulatory and Statutory Disclosures" beginning on page 346.

[(3)] Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors. 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. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, please refer to the section titled "Offer Procedure" on page 370. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.

[(4)] *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange, subject to applicable laws. In the event of an undersubscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by the Promoter Selling Shareholders, and thereafter, towards the balance Fresh Issue. For further details, please see the section entitled "Offer Procedure" on page 370.*

[(5)] *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID 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.*

[(6)] *Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 370.*

[(7)] *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. For details, please refer to the section titled "Offer Procedure" beginning on page 370.*

Allocation to Bidders in all categories, except the Anchor Investor Portion, Non-Institutional Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation of Equity Shares to each Retail Individual Bidder and Non-Institutional Bidder shall not be less than the minimum Bid Lot and Minimum NIB Application Size respectively, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion, respectively, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors) will be on a proportionate basis. For further details, please refer to the section titled "*Offer Procedure*" on page 370.

For details, including in relation to grounds for rejection of Bids, please refer to the section titled "*Offer Structure*" on page 366. For details of the terms of the Offer, please refer to the section titled "*Terms of the Offer*" on page 359.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information.

The Restated Financial Information has been prepared based on the Ind AS financial statements as at and for the Fiscals 2024, 2023 and 2022. The Restated Financial Information has been prepared in accordance with Ind AS and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section titled "Financial Information" on page 296.

The summary financial information presented below should be read in conjunction with the sections titled "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 253 and 305, respectively.

[*The remainder of this page has intentionally been left blank*]

RESTATED STATEMENTS OF ASSETS AND LIABILITIES

(in ₹ million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	1,051.41	890.76	758.38
Capital work in progress	54.30	-	-
Right of use assets	7.77	0.68	-
Other intangible assets	0.90	0.16	0.10
Financial assets			
Investments	0.30	0.30	0.30
Other financial assets	31.25	65.92	62.01
Other non-current assets	32.53	33.03	22.88
Total Non-current assets	**1,178.46**	**990.85**	**843.67**
Current Assets			
Inventories	835.18	621.96	413.72
Financial assets			
Investment	5.31	1.05	0.84
Trade receivables	1,098.38	518.07	503.51
Cash and cash equivalents	56.55	129.98	6.23
Other bank balances	48.57	12.48	-
Other financial assets	1.75	1.81	2.07
Other current assets	295.86	229.52	208.20
Total current assets	**2,341.59**	**1,514.87**	**1,134.57**
Total Assets	**3,520.04**	**2,505.72**	**1,978.24**
Equity and Liabilities			
Equity			
Equity share capital	270.46	135.23	135.23
Other equity	1,197.59	885.83	588.81
Total equity	**1,468.05**	**1,021.06**	**724.04**
Non-current liabilities			
Financial liabilities			
Borrowings	225.26	270.70	237.28
Lease liabilities	5.20	0.43	-
Long-term provision	48.96	45.56	45.61
Deferred tax liabilities (Net)	59.36	56.37	49.95
Total Non-current liabilities	**338.78**	**373.06**	**332.84**
Current liabilities			
Financial liabilities			
Borrowings	945.79	611.20	623.28
Lease liabilities	2.75	0.25	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	89.91	52.76	102.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	397.60	287.67	88.78
Other financial liabilities	79.24	28.78	13.89
Short-term provisions	6.44	4.83	3.92
Current tax liabilities (Net)	86.77	48.14	25.44
Other current liabilities	104.71	77.97	63.21
Total current liabilities	**1,713.22**	**1,111.60**	**921.36**
Total Equity and Liabilities	**3,520.04**	**2,505.72**	**1,978.24**

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

(in ₹ millions, except per share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	**6,202.50**	**4,886.28**	**2,974.55**
Other income	12.14	7.29	4.26
Total Income	**6,214.64**	**4,893.57**	**2,978.81**
Expenses			
Cost of raw materials consumed	3,786.81	2,941.66	1,595.67
Changes in inventories of finished products and work in progress	(227.78)	(44.57)	7.19
Employee benefits expense	304.23	265.09	201.77
Finance costs	148.96	122.19	81.61
Depreciation and amortisation expense	57.86	43.22	55.03
Other expense	1,531.66	1,148.88	874.44
Total Expenses	**5,601.74**	**4,476.47**	**2,815.71**
Profit before tax	**612.90**	**417.10**	**163.10**
Tax Expense			
Current tax			
Current tax	154.89	100.80	39.51
Current tax for the earlier years	5.60	0.98	-
Deferred tax			
Deferred tax	3.60	6.01	1.90
Total tax expense	**164.09**	**107.79**	**41.41**
Profit for the year	**448.81**	**309.31**	**121.69**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of the employees defined benefit plans	(2.45)	1.64	4.36
Income tax relating to above item	0.62	(0.41)	(1.10)
Total other comprehensive income	**(1.83)**	**1.23**	**3.26**
Total comprehensive income for the year	**446.98**	**310.54**	**124.95**
Earnings per equity share (Face value of share of ₹ 5 each)			
Basic (in ₹)	8.30	5.72	2.25
Diluted (in ₹)	8.30	5.72	2.25

RESTATED STATEMENT OF CASH FLOWS

(in ₹ million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities:			
Profit before tax	**612.90**	**417.10**	**163.10**
Adjustments for:			
Depreciation and amortisation expense	57.86	43.22	55.03
Finance costs	148.96	122.19	81.61
Allowances for expected credit loss	3.71	3.71	3.00
Unwinding of interest on long term security deposit	(0.05)	(0.01)	-
Net fair value gains on financial assets mandatorily measured at fair value through profit or loss	(0.64)	(0.19)	(0.02)
Profit on sale of property, plant and equipments	(0.02)	(0.07)	(0.11)
Interest Income	(6.93)	(3.91)	(2.95)
Operating profit before changes in non current/ current assets and liabilities	**815.79**	**582.04**	**299.66**
Changes in operating assets and liabilities			
(Increase)/Decrease in Inventories	(213.22)	(208.24)	16.80
(Increase)/Decrease in Other non-current financial assets	34.72	(10.06)	-
(Increase)/Decrease in trade receivables	(584.02)	(18.27)	(96.96)
(Increase)/Decrease in Other current financial assets	0.06	0.26	(0.42)
(Increase)/Decrease in Other current assets	(89.94)	(21.32)	(82.97)
Increase/(Decrease) provisions	2.57	2.70	5.56
Increase/(Decrease) in trade payables	147.08	148.79	29.18
Increase/(Decrease) in Other current financial liabilities	46.31	14.89	-
Increase/(Decrease) in Other current liabilities	26.74	14.76	35.34
Cash generated from/ (used in) operations	**186.10**	**505.55**	**206.19**
Direct Taxes Paid	(103.59)	(88.09)	(30.81)
Net cash flow from/ (used in) operating activities	**82.51**	**417.46**	**175.38**
Cash flows from investing activities :			
Purchase of Property, plant and equipment	(216.23)	(185.85)	(123.18)
Purchase of Intangible assets	(0.77)	(0.10)	-
Proceeds from sale of Property, plant and equipment	0.04	0.38	0.11
Purchase of Capital work in progress	(54.30)	-	-
Interest Received	6.93	3.91	2.95
Term deposits (placed) / matured (net)	(36.09)	(6.32)	-
Investment in mutual fund	(3.62)	-	-
Proceeds from sale of investment in mutual fund	-	-	0.16
Net cash flow from/ (used in) investing activities	**(304.04)**	**(187.98)**	**(119.96)**
Cash flows from financing activities :			
Proceeds from Long-term borrowings	165.26	129.07	68.21
Repayment of Long-term borrowings	(175.30)	(104.60)	(74.74)
Proceeds from / (repayment) of short-term borrowings (net)	297.48	(3.46)	-
Principal lease payments	(1.95)	(0.18)	-
Dividend paid	-	(13.52)	-
Other interest payments	(137.39)	(113.04)	(48.61)
Net cash flow from/ (used in) financing activities	**148.10**	**(105.73)**	**(55.14)**
Net increase/(decrease) in cash and cash equivalents	**(73.43)**	**123.75**	**0.28**
Cash and cash equivalents at the beginning of the year	**129.98**	**6.23**	**5.95**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents at the end of the year	**56.55**	**129.98**	**6.23**

GENERAL INFORMATION

Our Company was incorporated as "Kross Manufacturers (India) Private Limited", as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 9, 1991, issued by the Registrar of Companies, Bihar at Patna. Thereafter, the Registered Office of our Company was changed from 214, Ashiana Centre Adityapur, Jamshedpur – 831013 to M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108. Subsequently, the name of our Company was changed from "Kross Manufacturers (India) Private Limited" to "Kross Private Limited" pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated September 26, 2016. Further, the name of our Company was changed upon conversion from a private limited company "Kross Private Limited", to a public limited company "Kross Limited" pursuant to a special resolution passed by our shareholders on January 13, 2017, and a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated January 17, 2017.

For details in relation to the change in the name of our Company, please refer to the section titled "*History and Certain Corporate Matters – Brief history of our Company*" on page 228. Further, for details in relation to the business of our Company, please refer to the section titled "*Our Business*" on page 195.

Registered and Corporate Office

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

Kross Limited
M-4, Phase VI, Gamharia,
Adityapur Industrial Area,
Jamshedpur – 832 108, Jharkhand

For details in relation to the change in the Registered Office of our Company, please refer to the section titled "*History and Certain Corporate Matters – Changes in the Registered Office of our Company*" on page 228.

Registration number and corporate identity number

The registration number and corporate identity number of our Company are as follows:

a. **Registration number**: 004465

b. **Corporate identity number**: U29100JH1991PLC004465

Address of the RoC

Our Company is registered with the Registrar of Companies, Jharkhand at Ranchi which is situated at the following address:
Mangal Tower, 4th floor
Old Hazaribagh Road
Near Kanta Toli Chowk
Ranchi – 834 001
Jharkhand, India

Filing

A copy of this Red Herring Prospectus is being filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, as required under Regulation 25(8) of the SEBI ICDR Regulations and in accordance with the Master Circular for Issue of Capital and Disclosure Requirements bearing number SEBI/HO/CFD/ PoD-2/P /CIR/2023/00094 dated June 21, 2023 and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD". It will also be filed with SEBI at:

Securities and Exchange Board of India

SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex

Bandra (E), Mumbai 400 051
Maharashtra, India

A copy of this Red Herring Prospectus, along with the material contracts and documents will be filed under Section 32 of the Companies Act with the RoC and a copy of the Prospectus will be delivered for filing under Section 26 of the Companies Act with the RoC at its office and through the electronic portal at https://www.mca.gov.in/mcafoportal/login.do.

Board of Directors

The Board of our Company as on the date of this Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
Sudhir Rai	Chairman and Managing Director	00512423	Bunglow Number-14, Ashiana Garden, Jamshedpur, East Singhbhum, Jharkhand–831 011
Anita Rai	Whole-time Director	00513329	Bunglow Number-14, Prime Rose Lane, Ashiana Garden, Sonari, Jamshedpur, East Singhbhum, Jharkhand –831 011
Sumeet Rai	Whole-time Director	02304257	Bunglow Number-14, Prime Rose Lane, Ashiana Garden, Jamshedpur, East Singhbhum, Jharkhand – 831 011
Kunal Rai	Whole-time Director (Finance) and CFO	06863533	Bunglow Number-14, Prime Rose Lane, Ashiana, Sonari, Jamshedpur, East Singhbhum, Jharkhand – 831 011
Sanjiv Paul	Independent Director	00086974	36, Straight Mile Road, PO- Bistupur, Northern Town, Jamshedpur, Purbi Singhbhum, Jharkhand -831 001
Mukesh Kumar Agarwal	Independent Director	09046565	House Number-81, Ground floor, Green Heights Colony, N H -58, Roorkee Road, Siwaya, Jamallulapur, Meerut, Uttar Pradesh-250 110
Deepa Verma	Independent Director	10359047	3, Kapali Road, B H Area, Kaiser Bungalow, Kadma, Jamshedpur, East Singhbhum, Jharkhand – 831 005
Gurvinder Singh Ahuja	Independent Director	08132223	Bungalow No 20 Nildih Enclave, Nildih Road, Golmuri, Jharkhand - 831 003

For brief profiles and further details of our Board, please refer to the section titled "*Our Management*" on page 232.

Company Secretary and Compliance Officer

Debolina Karmakar
M-4, Phase VI, Gamharia,
Adityapur Industrial Area,
Jamshedpur - 832108, Jharkhand
Telephone: +91 0657 2203812
E-mail: investors@krossindia.com

Investor grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer-related queries and for redressal of complaints, investors may also write to the BRLM.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received 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 names and addresses of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel
Mumbai 400 013,
Maharashtra, India
Tel: +91 22 4332 0734
E-mail: kross.ipo@equirus.com
Website: www.equirus.com
Investor grievance e-mail: investorsgrievance@equirus.com
Contact person: Malay Shah/ Mrunal Jadhav
SEBI Registration No.: INM000011286

Legal Counsel to the Offer as to India Law

J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013
Maharashtra, India

Statutory Auditors of our Company

M/s S.K. Naredi & Co.
Virdi Niwas,
M Road, Bistupur,
Jamshedpur - 831001
Jharkhand
E-mail: krossipo@sknaredi.co.in
Website: www.sknaredi.co.in
Telephone: 0657-2320686
Firm registration number: 003333C
Peer review certificate number: 014239

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No.31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad-500032, Telangana, India

Telephone: +91 40 6716 2222
Toll Free No.: 18003094001
E-mail: krosslimited.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M.Murali Krishna
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Syndicate Member

Equirus Securities Private Limited
A – 2102 B, 21st Floor, A Wing
Marathon Futurex, N.M. Joshi Marg
Lower Parel Mumbai 400 013
Maharashtra, India
Contact Person: Naman Shah
Telephone: 022 4332 0600
E-**mail**: esplcompliance@equirus.com
Website: www.equirussecurities.com
SEBI Registration Number: INZ000251536

Bankers to the Offer

Escrow Collection Bank and Refund Bank

HDFC Bank Limited
FIG- OPS Department
Lodha, I Think Techno Campus 0 -3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East) Mumbai - 400042,
Maharashtra, India
Telephone: +91 22 30752927/28/2914
Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Eric Bacha/ Sachin Gawade/ Pravin Teli/ Siddharth Jadhav/ Tushar Gavankar
SEBI Registration Number: INBI00000063

Public Offer Account Bank

Axis Bank Limited
Voltas House, Main Road,
Bistupur, Jamshedpur – 831001
Jharkhand, India
Telephone: 8877800121
E-mail: Jamshedpur.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Pawan Kumar Jha
SEBI Registration No.: INBI00000017

Sponsor Banks

Axis Bank Limited
Voltas House, Main Road,
Bistupur, Jamshedpur – 831001
Jharkhand, India
Telephone: 8877800121
E-mail: Jamshedpur.branchhead@axisbank.com
Website: www.axisbank.com

Contact Person: Pawan Kumar Jha
SEBI Registration No.: INBI00000017

HDFC Bank Limited
FIG- OPS Department
Lodha, I Think Techno Campus 0 -3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East) Mumbai - 400042,
Maharashtra, India
Telephone: +91 22 30752927/28/2914
Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Eric Bacha/ Sachin Gawade/ Pravin Teli/ Siddharth Jadhav/ Tushar Gavankar
SEBI Registration Number: INBI00000063

Bankers to the Company

Kotak Mahindra Bank Limited
Sangrila Tower, Bistupur,
Jamshedpur – 831001,
Jharkhand, India
Telephone: 8340548875
Email: deepak.kumar39@kotak.com
Website: www.kotakmahindrabank.com
Contact person: Deepak Kumar

HDFC Bank Limited
105 SNP Area, Sakchi,
Jamshedpur,
Jharkhand, India
Telephone: 7686843860
Email: mayank.nayak@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Mayank Nayak

Axis Bank Limited
SME Centre, Voltas Building,
Bistupur, Jamshedpur – 831001,
Jharkhand, India
Telephone: 9353465099
Email: gautam.mukherjee@axisbank.com
Website: www.axisbank.com
Contact person: Gautam Mukherjee

DBS Bank India Limited
4A, Little Russel Street,
Kolkata – 700071,
West Bengal, India
Telephone: 9831189518
Email: mayanka@dbs.com
Website: www.dbs.com
Contact person: Mayank Agarwal

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

Syndicate SCSB branches

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

SCSBs 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, Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 using the UPI Mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. A list of SCSBs and mobile applications, which are live for applying public issues using UPI Mechanism is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, 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?andwww.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other websites 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, or such other websites as updated from time to time.

Experts

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

(a) Our Company has received written consent dated August 20, 2024 from M/s S.K. Naredi & Co. Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated August 20, 2024 relating to the Restated Financial Information as at and for the Financial Years ended March 31, 2024, 2023 and 2022; and (ii) the statement of tax benefits dated August 20, 2024 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(b) Our Company has received written consent dated August 16, 2024 from the Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 an independent chartered engineer, in relation to the certificate dated August 16, 2024, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

(c) Our Company has received written consent dated November 30, 2023 from Adarsh Kumar Agarwal, the practicing company secretary, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 a practicing company secretary, in relation to the certificate dated November 30, 2023, certifying, inter alia, the details of the share capital built up of our Company and our Promoters. Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Changes in Auditors

Other than as disclosed below, there has been no change in our Statutory Auditors in the three years preceding the date of this Red Herring Prospectus.

Particulars	Date of change	Reason for change
Hemchand Jain & Co.	September 2, 2022	Resignation due to preoccupation in other assignments and work load.
M/s S.K. Naredi & Co., Chartered Accountants	September 2, 2022	Appointment due to casual vacancy created by the resignation of the previous statutory auditor i.e. Hemchand Jain & Co.

Monitoring Agency

As the size of the Fresh Issue exceeds ₹ 1,000.00 million, our Company has appointed India Rating and Research Private Limited as the monitoring agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations. The details of the monitoring agency are set out hereinbelow:

India Rating and Research Private Limited
Wockhardt Towers,
4th Floor, West Wing,
Bandra Kurla Complex,
Bandra (E) Mumbai - 400 051
Maharashtra, India
Telephone: 022-40001700
Email: infogrp@indiaratings.co.in
Contact Person: Amol Sumrani

For details in relation to the proposed utilisation of the Net Proceeds, see the section titled "*Objects of the Offer*" on page 107.

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Grading of the Offer

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

Statement of responsibilities of the Book Running Lead Manager

The following table sets forth the responsibilities for various activities of the BRLM:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Equirus	Equirus
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of Red Herring Prospectus, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	Equirus	Equirus
3.	Drafting and approval of all statutory advertisements	Equirus	Equirus
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	Equirus	Equirus
5.	Appointment of Registrar and Ad agency	Equirus	Equirus

Sr. No	Activity	Responsibility	Co-ordinator
6.	Appointment of all other intermediaries including Printer, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	Equirus	Equirus
7.	Preparation of road show presentation and FAQs for the road show team	Equirus	Equirus
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings Finalising international road show and investor meeting schedules	Equirus	Equirus
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings Finalising domestic road show and investor meeting schedules	Equirus	Equirus
10.	Conduct non-institutional marketing of the Offer	Equirus	Equirus
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, Red Herring Prospectus /Prospectus and deciding on the quantum of the Offer material	Equirus	Equirus
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading.	Equirus	Equirus
13.	Managing the book and finalization of pricing in consultation with Company	Equirus	Equirus
14.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf the Promoter Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges.	Equirus	Equirus

Credit rating

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

Debenture trustees

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

Green shoe option

No green shoe option is contemplated under the Offer.

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. Price Band and minimum Bid Lot which will be decided by our Company, in consultation with the BRLM and, will be advertised in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/ Offer Closing Date. For details, please refer to the section titled "*Offer Procedure*" on page 370.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs, or in the case UPI Bidders, by using the UPI Mechanism. The Retail Individual Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs; or (b) through the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular form part of this Red Herring Prospectus. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹ 0.20 million) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 1.00 million and the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allocation of Equity Shares to each Non-Institutional Investor shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors) will be on a proportionate basis.

For further details on the method and procedure for Bidding and Book Building Process, please refer to the sections titled "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 359, 366 and 370, respectively.

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

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Promoter Selling Shareholders have, severally not jointly, confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the respective Promoter Selling Shareholders, in relation to the Offered Shares. In this regard, our Company and the Promoter Selling Shareholders have appointed the BRLM to manage this Offer and procure Bids for this Offer.

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 Promoter Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. 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 Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be updated in the Prospectus prior to the filing with the RoC.).

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

The abovementioned underwriting commitment is provided for indicative purposes only and will be finalised after determination of Offer Price and finalisation of Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee will accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

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

CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL(1)**		
	70,000,000 equity shares of face value ₹ 5 each	350,000,000	-
	2,000,000 preference shares of face value of ₹ 10 each	20,000,000	-
	Total	**370,000,000**	**-**
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	54,092,756 equity shares of face value ₹ 5 each	270,463,780	-
	Total	270,463,780	-
C	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Offer of up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 5,000.00 million	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million(2)	[●]	[●]
	Offer for Sale of up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million(3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] equity shares of face value ₹ 5 each (assuming full subscription in the Offer)*	[●]	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer*		[●]

** To be included upon finalization of the Offer Price*

(1) For details in relation to the changes in the authorized share capital of our Company in the last 10 years preceding the date of this Red Herring Prospectus, please refer to the section titled "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 228.

(2) The Offer has been authorized by our Board of Directors dated October 21, 2023, and a special resolution of our Shareholders dated October 26, 2023.

(3) Each of the Promoter Selling Shareholders, severally and not jointly, have confirmed their participation of their respective portion in the Offer for Sale vide their consent letters each dated November 8, 2023 and our Board has taken on record the participation of the Promoter Selling Shareholders in the Offer for Sale pursuant to a resolution dated November 9, 2023. Each of the Promoter Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion in the Offered Shares has been held by such Promoter Selling Shareholders for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled "Other Regulatory and Statutory Disclosures" beginning on page 346.

[***The remainder of this page has intentionally been left blank***]

Notes to Capital Structure

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

Our Company is in compliance with the Companies Act, 2013, with respect to issuance of equity shares since inception till the date of this Red Herring Prospectus, as set out in the table below:

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares
May 9, 1991	200	100 equity shares subscribed by Sudhir Rai and 100 equity shares subscribed by Anita Rai	100	100	Cash	Initial subscription to the Memorandum of Association	200
February 21, 1992	15,200	4,400 equity shares allotted to Sudhir Rai; 3,300 equity shares allotted to Anita Rai; and 7,500 equity shares allotted to Dipak Rai	100	100	Cash	Further issue	15,400
May 12, 1992	8,600	4,600 equity shares allotted to Sudhir Rai and 4,000 equity shares allotted to Anita Rai	100	100	Cash	Further issue	24,000
March 16, 1998	12,000	4,050 equity shares allotted to Sudhir Rai; 1,075 equity shares allotted to Anita Rai; 1,150 equity shares allotted to Dipak Rai; 700 equity shares allotted to Shukla Rai; 275 equity shares allotted to Tuff Seals Private Limited; 2,250 equity shares allotted to Sunanda Burman; and 2,500 equity shares allotted to Sujata Singh	100	Nil	N.A.	Bonus issue in the proportion of 1 equity share for every 2 equity shares held by the Shareholders	36,000
March 31, 1999	24,000	9,750 equity shares allotted to Sudhir Rai; 3,450 equity shares allotted to Anita Rai; 8,000 equity shares allotted to Dipak Rai; and 2,800 equity shares allotted to Shukla Rai	100	100	Cash	Further issue	60,000
March 31, 1999	30,000	10,950 equity shares allotted to Sudhir Rai; 3,337 equity shares allotted to Anita Rai; 5,725 equity shares allotted to Dipak Rai; 2,450 equity shares allotted to Shukla	100	Nil	N.A.	Bonus issue in the proportion of 1 equity share for every 2 equity shares held by the Shareholders	90,000

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares
		Rai; 413 equity shares allotted to Tuff Seals Private Limited; 3,375 equity shares allotted to Sunanda Burman; and 3,750 equity shares allotted to Sujata Singh					
March 31, 2001	30,500	9,550 equity shares allotted to Sudhir Rai; 3,200 equity shares allotted to Anita Rai; 3,000 equity shares allotted to Dipak Rai; 5,000 equity shares allotted to Dipak Rai HUF#; 2,700 equity shares allotted to Rabindra Singh; 500 equity shares allotted to Bidya Sagar Sharma; 1,750 equity shares allotted to Akshay Kr Jain; 600 equity shares allotted to N.K. Jain (HUF); 1,500 equity shares allotted to Daksha N Jain; 250 equity shares allotted to Vineeta Jain; 250 equity shares allotted to Hitesh Kr Jain; 1,300 equity shares allotted to Mridul Kr Jain; and 900 equity shares allotted to Shashi Jain	100	100	Cash	Further issue	120,500
July 31, 2006	26,600	17,600 equity shares allotted to Sudhir Rai; 4,750 equity shares allotted to Anita Rai; 1,250 equity shares allotted to Sukhala Rai; 750 equity shares allotted to Gopal Jhanjharia; 750 equity shares allotted to Mukesh Pd. Jhanjharia; and 1,500 equity shares allotted to Bidya Sagar Sharma	100	100	Cash	Further issue	147,100
November 7, 2008	200,000	126,750 equity shares allotted to Sudhir Rai; 48,250 equity shares allotted to Anita Rai; 5,000 equity shares allotted to Dipak Rai; and 20,000 equity shares allotted to Surjit Kumar	100	100	Cash	Further issue	347,100

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares
January 22, 2009	20,000	20,000 equity shares allotted to Anita Rai	100	100	Cash	Further issue	367,100
January 6, 2010	101,750	51,750 equity shares allotted to Sudhir Rai; and 50,000 equity shares allotted to Anita Rai	100	100	Cash	Further issue	468,850
March 28, 2012	10,000	7,000 equity shares allotted to Metrocity Iron & Steel Trading Private Limited; and 3,000 equity shares allotted to Capable Retailers Private Limited	100	100	Cash	Further issue	478,850
March 28, 2013	65,000	10,000 equity shares allotted to Hyades Suppliers Private Limited; 2,000 equity shares allotted to Intellect Vintrade Private Limited; 15,000 equity shares allotted to Smart Commonsales Private Limited; 3,000 equity shares allotted to Moonshine Property Consultant; 27,000 equity shares allotted to Sudhir Rai; and 8,000 equity shares allotted to Anita Rai	100	500	Cash	Further issue	543,850
March 31, 2014	20,000	8,000 equity shares allotted to Sudhir Rai; 5,000 equity shares allotted to Anita Rai; 4,000 equity shares allotted to Dipak Rai; and 3,000 equity shares allotted to Sumeet Rai	100	500	Cash	Further issue	563,850
October 25, 2014	100,000	58,238 equity shares allotted to Sudhir Rai; 24,000 equity shares allotted to Anita Rai; 7,983 equity shares allotted to Dipak Rai; 5,877 equity shares allotted to Sumeet Rai; and 3,902 equity shares allotted to Kunal Rai	100	100	Cash	Rights issue	663,850
Pursuant to a resolution of our Board dated July 27, 2016 and a resolution of our Shareholders dated August 18, 2016, each equity share of our Company bearing face value of ₹ 100 each was sub-divided into 10 equity shares of bearing face value of ₹ 10 each. Accordingly, the then issued, subscribed and paid-up equity share capital of our Company was sub-divided from 1 equity shares bearing face value of ₹ 100 each to 10 equity shares bearing face value of ₹ 10 each.							6,638,500

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares
August 26, 2016	6,638,500	3,794,880 equity shares allotted to Sudhir Rai; 1,882,120 equity shares allotted to Anita Rai; 469,960 equity shares allotted to Dipak Rai; 50,000 equity shares allotted to Dipak Rai HUF#; 240,020 equity shares allotted to Sumeet Rai; and 201,520 equity shares allotted to Kunal Rai	10	Nil	N.A.	Bonus issue in the proportion of 1 equity share for every 1 equity shares held by the Shareholders	13,277,000
August 21, 2019	119,047	83,333 equity shares allotted to Sudhir Rai; and 35,714 equity shares allotted to Anita Rai	10	42	Cash	Rights issue	13,396,047
February 21, 2020	127,142	127,142 equity shares allotted to Sudhir Rai	10	42	Cash	Rights issue	13,523,189
November 09, 2023	1,35,23,189	7,800,035 equity shares allotted to Sudhir Rai; 100,000 equity shares allotted to Dipak Rai HUF*; 3,799,954 equity shares allotted to Anita Rai; 950,000 equity shares allotted to Sumeet Rai; 873,000 equity shares allotted to Kunal Rai; 100 equity shares allotted to K Suresh Babu; and 100 equity shares allotted to Navin Kumar Kapur	10	Nil	N.A.	Bonus issue in the proportion of 1 equity share for every 1 equity shares held by the Shareholders**	27,046,378
Pursuant to a resolution of our Board dated October 21, 2023 and a resolution of our Shareholders dated October 26, 2023, each equity share of our Company bearing face value of ₹ 10 each was sub-divided into 2 equity shares of bearing face value of ₹ 5 each. Accordingly, the then issued, subscribed and paid-up equity share capital of our Company was sub-divided from 27,046,378 equity shares bearing face value of ₹ 10 each to 54,092,756 equity shares bearing face value of ₹ 5 each.							54,092,756

#Held through its karta, Dipak Rai

**Held through its karta, Sudhir Rai*

*** The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*

2. **Preference Share capital history of our Company**

Our Company has not issued any preference shares since incorporation.

3. **Issue of shares which may be at a price lower than the Offer Price**

Except for the below allotment(s), our Company has not issued any equity shares during a period of one year preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price:

Date of allotment	Number of equity shares allotted	Details of allottees	Whether allottees are part of the Promoter Group	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/Nature of allotment or transfer
November 09, 2023	1,35,23,189	7,800,035 equity shares allotted to Sudhir Rai; 100,000 equity shares allotted to Dipak Rai HUF*; 3,799,954 equity shares allotted to Anita Rai; 950,000 equity shares allotted to Sumeet Rai; 873,000 equity shares allotted to Kunal Rai; 100 equity shares allotted to K. Suresh Babu; and 100 equity shares allotted to Navin Kumar Kapur	Sudhir Rai, Anita Rai, Sumeet Rai and Kunal Rai are Promoters; and Dipak Rai HUF* is member of the Promoter Group	10	Nil	N.A.	Bonus issue in the proportion of 1 equity share for every 1 equity shares held by the Shareholders**

**Held through its karta, Sudhir Rai*

*** The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*

4. **Shares issued for consideration other than cash or bonus or out of revaluation reserves**

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

Except as disclosed below, our Company has not issued any bonus shares or equity shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of equity shares for consideration other than cash:

Date of allotment	No. of equity shares allotted	Name of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Reason/ particulars for allotment	Benefits accrued to our Company
March 16, 1998	12,000	4,050 equity shares allotted to Sudhir Rai; 1,075 equity shares allotted to Anita Rai; 1,150 equity shares allotted to Dipak Rai; 700 equity shares allotted to Shukla Rai; 275 equity shares allotted to Tuff Seals Private Limited; 2,250 equity shares allotted to Sunanda Burman; and 2,500 equity	100	Nil	Bonus issue in the proportion of 1 equity share for every 2 equity shares held by the Shareholders	Nil

Date of allotment	No. of equity shares allotted	Name of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Reason/ particulars for allotment	Benefits accrued to our Company
		shares allotted to Sujata Singh				
March 31, 1999	30,000	10,950 equity shares allotted to Sudhir Rai; 3,337 equity shares allotted to Anita Rai; 5,725 equity shares allotted to Dipak Rai; 2,450 equity shares allotted to Shukla Rai; 413 equity shares allotted to Tuff Seals Private Limited; 3,375 equity shares allotted to Sunanda Burman; and 3,750 equity shares allotted to Sujata Singh	100	Nil	Bonus issue in the proportion of 1 equity share for every 2 equity shares held by the Shareholders	Nil
August 26, 2016	6,638,500	3,794,880 equity shares allotted to Sudhir Rai; 1,882,120 equity shares allotted to Anita Rai; 469,960 equity shares allotted to Dipak Rai; 50,000 equity shares allotted to Dipak Rai HUF#; 240,020 equity shares allotted to Sumeet Rai; and 201,520 equity shares allotted to Kunal Rai	10	Nil	Bonus issue in the proportion of 1 equity share for every 1 equity shares held by the Shareholders	Nil
November 09, 2023	1,35,23,189	7,800,035 equity shares allotted to Sudhir Rai; 100,000 equity shares allotted to Dipak Rai HUF*; 3,799,954 equity shares allotted to Anita Rai; 950,000 equity shares allotted to Sumeet Rai; 873,000 equity shares allotted to Kunal Rai; 100 equity shares allotted to K. Suresh Babu; and 100 equity shares allotted to Navin Kumar Kapur	10	Nil	Bonus issue in the proportion of 1 equity share for every 1 equity shares held by the Shareholders**	Nil

**Held through its karta, Sudhir Rai*
 # Held through its karta, Dipak Rai
*** The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*

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

As of the date of this Red Herring Prospectus, our Company has not allotted any equity shares in terms of any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act.

6. **History of the Equity Share capital held by our Promoters, Promoters' Contribution and lock-in**

(a) As on the date of this Red Herring Prospectus, our Promoters hold 53,691,956 Equity Shares, equivalent to 99.26% of the issued, subscribed and paid-up Equity Share capital of our Company. All Equity Shares issued to our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable.

(b) As on the date of this Red Herring Prospectus, none of our Promoters hold any Preference Shares.

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

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set out in the table below:

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
Sudhir Rai						
May 9, 1991	Subscriber to MoA	100	100	100	0.00	[●]
February 21, 1992	Further issue	4,400	100	100	0.01	[●]
May 12, 1992	Further issue	4,600	100	100	0.01	[●]
August 26, 1992	Transfer to Shukla Rai	(1,400)	100	100	0.00	[●]
August 26, 1992	Transfer to Sunanda Burman	(2,000)	100	100	0.00	[●]
April 28, 1994	Transfer from Jhankesh Adeshra	150	100	100	0.00	[●]
April 28, 1994	Transfer from Kavita Adeshra	300	100	100	0.00	[●]
April 28, 1994	Transfer from Dimple Adeshra	150	100	100	0.00	[●]
January 31, 1995	Transfer from Vineeta Jain	200	100	100	0.00	[●]
December 29, 1995	Transfer from Akshay Kumar Jain	750	100	100	0.00	[●]
March 15, 1997	Transfer from Tuff Seals Private Limited	850	100	100	0.00	[●]
March 16, 1998	Bonus issue	4,050	100	Nil	0.01	[●]
March 31, 1999	Further issue	9,750	100	100	0.02	[●]
March 31, 1999	Bonus issue	10,950	100	Nil	0.02	[●]
March 31, 2001	Further issue	9,550	100	100	0.02	[●]
March 21, 2006	Transfer from Narendra Kumar Jain HUF	5,050	100	100	0.01	[●]
July 31, 2006	Further issue	17,600	100	100	0.03	[●]
September 29, 2007	Transfer from Gopal Jhajaria	750	100	100	0.00	[●]
September 29, 2007	Transfer from Mukesh Jhajaria	750	100	100	0.00	[●]
September 29, 2007	Transfer from Bidya Sharma	2,000	100	100	0.00	[●]
September 29, 2007	Transfer from Daksha N. Jain	1,500	100	100	0.00	[●]
September 29, 2007	Transfer from Vineeta Jain	1,150	100	100	0.00	[●]
September 29, 2007	Transfer from Hitesh Kumar Jain	250	100	100	0.00	[●]
September 29, 2007	Transfer from Mridul Kumar Jain	1,300	100	100	0.00	[●]
November 7, 2008	Further issue	126,750	100	100	0.23	[●]
January 6, 2010	Further issue	51,750	100	100	0.10	[●]
March 28, 2013	Further issue	27,000	100	500	0.05	[●]
March 31, 2014	Further issue	8,000	100	500	0.01	[●]
October 25, 2014	Rights issue	58,238	100	100	0.11	[●]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
March 3, 2016	Transfer from Surjeet Kumar	20,000	100	100	0.04	[●]
March 3, 2016	Transfer from Capable Retailers Private Limited	3,000	100	100	0.01	[●]
March 3, 2016	Transfer from Metrocity Iron & steel Private Limited	7,000	100	100	0.01	[●]
March 3, 2016	Transfer from Hydes Suppliers Private Limited	5,000	100	100	0.01	[●]
Pursuant to a resolution of our Board dated July 27, 2016 and a resolution of our Shareholders dated August 18, 2016, each equity share of our Company bearing face value of ₹ 100 each was sub-divided into 10 equity shares of bearing face value of ₹ 10 each. Accordingly, the shareholding of Sudhir Rai changed from 379,488 equity shares bearing face value of ₹ 100 each to 3,794,880 equity shares bearing face value of ₹ 10 each.						
August 26, 2016	Bonus issue	3,794,880	10	Nil	7.02	[●]
December 19, 2016	Transfer to K Suresh Babu	(100)	10	10	0.00	[●]
December 19, 2016	Transfer to Navin Kumar Kapur	(100)	10	10	0.00	[●]
August 21, 2019	Rights issue	83,333	10	42	0.15	[●]
February 21, 2020	Rights issue	127,142	10	42	0.24	[●]
November 9, 2023	Bonus issue*	7,800,035	10	Nil	14.42	[●]
Pursuant to a resolution of our Board dated October 21, 2023 and a resolution of our Shareholders dated October 26, 2023, each equity share of our Company bearing face value of ₹ 10 each was sub-divided into 2 equity shares of bearing face value of ₹ 5 each. Accordingly, the shareholding of Sudhir Rai changed from 15,600,070 equity shares bearing face value of ₹ 10 each to 31,200,140 equity shares bearing face value of ₹ 5 each.						
Sub-Total (A)		**31,200,140**			**57.68**	**[●]**
Anita Rai						
May 9, 1991	Subscriber to MoA	100	100	100	0.00	[●]
February 21, 1992	Further issue	3,300	100	100	0.01	[●]
May 12, 1992	Further issue	4,000	100	100	0.01	[●]
August 26, 1992	Transfer to Tuff Seals Private Limited	(2,450)	100	100	(0.00)	[●]
August 26, 1992	Transfer to Kavita Adeshra	(300)	100	100	(0.00)	[●]
August 26, 1992	Transfer to Baleshwar Mandal	(350)	100	100	(0.00)	[●]
August 26, 1992	Transfer to B.P. Mandal	(400)	100	100	(0.00)	[●]
August 26, 1992	Transfer to Jankesh Adeshra	(150)	100	100	(0.00)	[●]
August 26, 1992	Transfer to Dimple Adeshra	(150)	100	100	(0.00)	[●]
August 26, 1992	Transfer to Sujata Singh	(2,500)	100	100	(0.00)	[●]
March 15, 1997	Transfer from Tuff Seals Private Limited	1050	100	100	0.00	[●]
March 16, 1998	Bonus issue	1,075	100	Nil	0.00	[●]
March 31, 1999	Further issue	3,450	100	100	0.01	[●]
March 31, 1999	Bonus issue	3,337	100	Nil	0.01	[●]
March 31, 2001	Further issue	3,200	100	100	0.01	[●]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
July 31, 2006	Further issue	4,750	100	100	0.01	[●]
November 7, 2008	Further issue	48,250	100	100	0.09	[●]
January 22, 2009	Further issue	20,000	100	100	0.04	[●]
January 6, 2010	Further issue	50,000	100	100	0.09	[●]
March 28, 2013	Further issue	8,000	500	100	0.01	[●]
March 31, 2014	Further issue	5,000	100	500	0.01	[●]
October 25, 2014	Rights issue	24,000	100	100	0.04	[●]
March 3, 2016	Transfer from Smart Commosales Private Limited	15,000	100	100	0.03	[●]
Pursuant to a resolution of our Board dated July 27, 2016 and a resolution of our Shareholders dated August 18, 2016, each equity share of our Company bearing face value of ₹ 100 each was sub-divided into 10 equity shares of bearing face value of ₹ 10 each. Accordingly, the shareholding of Anita Rai changed from 188,212 equity shares bearing face value of ₹ 100 each to 1,882,120 equity shares bearing face value of ₹ 10 each.						
August 26, 2016	Bonus issue	1,882,120	10	Nil	3.48	[●]
August 21, 2019	Rights issue	35,714	10	42	0.07	[●]
November 9, 2023	Bonus issue*	3,799,954	10	Nil	7.02	[●]
Pursuant to a resolution of our Board dated October 21, 2023 and a resolution of our Shareholders dated October 26, 2023, each equity share of our Company bearing face value of ₹ 10 each was sub-divided into 2 equity shares of bearing face value of ₹ 5 each. Accordingly, the shareholding of Anita Rai changed from 7,599,908 equity shares bearing face value of ₹ 10 each to 15,199,816 equity shares bearing face value of ₹ 5 each.						
Sub-Total (B)		**15,199,816**			**28.10**	**[●]**
Sumeet Rai						
March 31, 2014	Further issue	3,000	100	500	0.01	[●]
October 25, 2014	Rights issue	5,877	100	100	0.01	[●]
March 3, 2016	Transfer from Sunanda Burman	10,125	100	100	0.02	[●]
March 3, 2016	Transfer from Intellect Vintrade Private Limited	2,000	100	100	0.00	[●]
March 3, 2016	Transfer from Moonshine Property Consultants Private Limited	3,000	100	100	0.01	[●]
Pursuant to a resolution of our Board dated July 27, 2016 and a resolution of our Shareholders dated August 18, 2016, each equity share of our Company bearing face value of ₹ 100 each was sub-divided into 10 equity shares of bearing face value of ₹ 10 each. Accordingly, the shareholding of Sumeet Rai changed from 24,002 equity shares bearing face value of ₹ 100 each to 240,020 equity shares bearing face value of ₹ 10 each.						
August 26, 2016	Bonus issue	240,020	10	Nil	0.44	[●]
March 28, 2022	Transmission from Dipak Rai	469,960	10	Nil	0.87	[●]
November 9, 2023	Bonus issue*	950,000	10	Nil	1.76	[●]
Pursuant to a resolution of our Board dated October 21, 2023 and a resolution of our Shareholders dated October 26, 2023, each equity share of our Company bearing face value of ₹ 10 each was sub-divided into 2 equity shares of bearing face value of ₹ 5 each. Accordingly, the shareholding of Sumeet Rai changed from 1,900,000 equity shares bearing face value of ₹ 10 each to 3,800,000 equity shares bearing face value of ₹ 5 each.						
Sub-Total (C)		**3,800,000**			**7.02**	**[●]**

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
Kunal Rai						
October 25, 2014	Rights issue	3,902	100	100	0.01	[●]
March 3, 2016	Transfer from Sujata Singh	11,250	100	100	0.02	[●]
March 3, 2016	Transfer from Hydes Suppliers Private Limited	5,000	100	100	0.01	[●]
Pursuant to a resolution of our Board dated July 27, 2016 and a resolution of our Shareholders dated August 18, 2016, each equity share of our Company bearing face value of ₹ 100 each was sub-divided into 10 equity shares of bearing face value of ₹ 10 each. Accordingly, the shareholding of Kunal Rai changed from 20,152 equity shares bearing face value of ₹ 100 each to 201,520 equity shares bearing face value of ₹ 10 each.						
August 26, 2016	Bonus issue	201,520	10	Nil	0.37	[●]
March 28, 2022	Transmission from Dipak Rai	469,960	10	Nil	0.87	[●]
November 9, 2023	Bonus issue*	873,000	10	Nil	1.61	[●]
Pursuant to a resolution of our Board dated October 21, 2023 and a resolution of our Shareholders dated October 26, 2023, each equity share of our Company bearing face value of ₹ 10 each was sub-divided into 2 equity shares of bearing face value of ₹ 5 each. Accordingly, the shareholding of Kunal Rai changed from 1,746,000 equity shares bearing face value of ₹ 10 each to 3,492,000 equity shares bearing face value of ₹ 5 each.						
Sub-Total (D)		**3,492,000**			**6.46**	**[●]**
TOTAL (A+B+C+D)		**53,691,956**			**99.26**	**[●]**

** The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*

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(d) ***Shareholding of our Promoters and members of the Promoter Group***

The details of the equity shareholding of our Promoters and members of the Promoter Group of our Company as on the date of this Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	% of pre-Offer shareholding	No. of Equity Shares	% of post-Offer shareholding
Promoters					
1.	Sudhir Rai	31,200,140	57.68	[●]	[●]
2.	Anita Rai	15,199,816	28.10	[●]	[●]
3.	Sumeet Rai	3,800,000	7.02	[●]	[●]
4.	Kunal Rai	3,492,000	6.46	[●]	[●]
Total holding of Promoters (A)		**53,691,956**	**99.26**	**[●]**	**[●]**
Promoter Group					
1.	Dipak Rai HUF*	400,000	0.74	[●]	[●]
Total holding of the Promoter Group (other than Promoter) (B)		**400,000**	**0.74**	**[●]**	**[●]**
Total holding of Promoters and Promoter Group (A + B)		**54,091,956**	**99.99**	**[●]**	**[●]**

**Held through its karta, Sudhir Rai*

All Equity Shares held by our Promoters and the Promoter Group are in dematerialised form as on the date of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, neither our Promoters nor members of the Promoter Group hold any Preference Shares.

For further details, please refer to the section titled "*Our Promoters and Promoter Group*" on page 247.

(e) ***Details of Promoters' Contribution and lock-in:***

1. *Promoters' Contribution*

(i) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of eighteen months as minimum promoter's contribution from the date of Allotment ("**Promoter's Contribution**"), and the Promoter's shareholding in excess of 20% of the post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Promoters' Contribution are as follows:

Name of the Promoters	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
Sudhir Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Anita Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sumeet Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Kunal Rai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]

Note: To be updated at the Prospectus stage

(iii) Our Promoters have given consent to include such number of Equity Shares held by them as constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters'

Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this 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.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three years immediately preceding the date of this Red Herring Prospectus (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

- The Promoters' Contribution do not include any Equity Shares acquired during the one year immediately preceding the date of this Red Herring Prospectus at a price lower than the Offer Price;

- Our Company has not been formed by the 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 Red Herring Prospectus pursuant to conversion from a partnership firm; and

- The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

2. *Other lock-in requirements:*

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above and the Equity Shares offered by the Promoter Selling Shareholders as part of the Offer for Sale, 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, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations, other than (i) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI, ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been allotted to them under an employee stock option scheme, prior to the Offer, except as required under applicable law.

(ii) 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.

(iii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a deposit accepting housing finance company as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Promoter's Contribution for eighteen months can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer. 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 the SEBI ICDR Regulations.

(iv) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters and/ or any member of the Promoter Group or a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"), and such transferee shall not be eligible to transfer till the lock-in period stipulated in SEBI ICDR Regulations has expired.

(v) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months from the date of Allotment, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

(f) ***Lock-in of Equity Shares to be Allotted, if any, to Anchor Investors***

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

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7. **Shareholding pattern of our Company**

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

Category (I)	Category of shareholder (II)	Nos. 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. of Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) – No of Voting Rights				No. of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity 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)
								Class: Equity	Class: Others	Total	Total as a % of (A+B+C)			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
(A)	Promoter and Promoter Group	5	54,091,956	Nil	Nil	54,091,956	99.99	54,091,956	Nil	54,091,956	99.99	Nil	99.99		Nil		Nil	54,091,956
(B)	Public	2	800	Nil	Nil	800	0.00	800	Nil	800	0.00	Nil	0.00		Nil		Nil	800
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil		Nil	Nil
Total		**7**	**54,092,756**	**Nil**	**Nil**	**54,092,756**	**100.00**	**54,092,756**	**Nil**	**54,092,756**	**100.00**	**Nil**	**100**		**Nil**		**Nil**	**54,092,756**

8. As of the date of the filing of this Red Herring Prospectus, our Company has 7 Shareholders, comprising 7 equity Shareholders.

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

(a) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Sudhir Rai	31,200,140	57.68
2.	Anita Rai	15,199,816	28.10
3.	Sumeet Rai	3,800,000	7.02
4.	Kunal Rai	3,492,000	6.46
	Total	**53,691,956**	**99.26**

Note: Based on the beneficiary position statement dated August 16, 2024

(b) Set forth below is a list of Shareholders holding 1% or more of the Equity Share capital of our Company, as of 10 days prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)
1.	Sudhir Rai	31,200,140	57.68
2.	Anita Rai	15,199,816	28.10
3.	Sumeet Rai	3,800,000	7.02
4.	Kunal Rai	3,492,000	6.46
	Total	**53,691,956**	**99.26**

Note: Based on the beneficiary position statement dated August 9, 2024

(c) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as of one year prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of equity shares	Percentage of the equity share capital (%)
1.	Sudhir Rai	7,800,035	57.68
2.	Anita Rai	3,799,954	28.10
3.	Sumeet Rai	950,000	7.02
4.	Kunal Rai	873,000	6.46
	Total	**13,422,989**	**99.26**

Note: Based on the statement and the register of members dated August 18, 2023

(d) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as of two years prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of equity shares	Percentage of the equity share capital (%)
1.	Sudhir Rai	7,800,035	57.68
2.	Anita Rai	3,799,954	28.10
3.	Sumeet Rai	480,040	3.55
4.	Kunal Rai	403,040	2.98
5.	Dipak Rai	939,920	6.95
	Total	**13,422,989**	**99.26**

Note: Based on the statement and the register of members dated August 19, 2022

10. **Details of shares held by our Directors, Key Managerial Personnel and Senior Management**

Except as disclosed below, none of our Directors or Key Managerial Personnel and Senior Management hold any Equity Shares or Preference Shares in our Company as on the date of this Red Herring Prospectus:

Sr. No.	Name	No. of Equity Shares held	Pre-Offer (%)	Post-Offer (%)
1.	Sudhir Rai	31,200,140	57.68	[●]
2.	Anita Rai	15,199,816	28.10	[●]
3.	Sumeet Rai	3,800,000	7.02	[●]

Sr. No.	Name	No. of Equity Shares held	Pre-Offer (%)	Post-Offer (%)
4.	Kunal Rai	3,492,000	6.46	[●]
5.	K Suresh Babu	400	Negligible	[●]
Total		**53,692,356**	**99.26**	**[●]**

11. The BRLM and its associates (determined as per the definition of 'associate company' under the Companies Act, and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any securities as on the date of this Red Herring Prospectus. The BRLM and its affiliates may engage in transactions with and perform services for our Company, in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

12. Except as disclosed in section titled "*Capital Structure – Share capital history of our Company*" on page 89, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

13. No person connected with the Offer, including, but not limited to, our Company, the Members of the Syndicate, our Directors or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of commission (except underwriting commission that may be paid to the underwriters) and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

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

15. None of our Promoters and members of our Promoter Group, our Directors, and their relatives (as defined under the Companies Act) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

16. Neither our Company nor our Directors have entered into any buy-back and / or standby arrangements for purchase of Equity Shares from any person. Further, the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

17. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.

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

19. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under the Offer except as disclosed in this Red Herring Prospectus.

20. None of the Equity Shares are pledged or otherwise encumbered.

21. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

22. Except to the extent of sale of the Offered Shares in the Offer for Sale by the Promoter Selling Shareholders, none of our Promoters and members of the Promoter Group will submit Bids or participate in the Offer.

23. There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives (as defined under Companies Act) have financed the purchase by any other person of securities of our Company during a period of six months preceding the date of this Red Herring Prospectus with SEBI.

24. In terms of Rule 19(2)(b) of the SCRR, and in compliance with Regulation 6(1) of the SEBI ICDR Regulations this is an Offer wherein not more than 50% of the Offer will be available for allocation on

a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining 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 from them at or above the Offer Price. Further, not less than such number of Equity Shares representing 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than such number of Equity Shares representing 35% of the Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process and shall provide details of their respective bank accounts in which the Bid Amount will be blocked by SCSBs to participate in the offer. For details, please refer to the section titled "*Offer Procedure*" on page 370.

25. 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 BRLM and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

26. Neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager or pension funds sponsored by entities which are associate of the BRLM) shall apply in the Offer under the Anchor Investor Portion. For more information, please refer to the section titled "*Offer Procedure*" on page 370.

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

28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

29. No person connected with the Offer, including, but not limited to, the Members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

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

31. Except for the allotment of Equity Shares pursuant to the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date. There will be no further issue of Equity Shares 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, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise, until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.

32. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares, or any other right which would entitle any person any option to receive Equity Shares.

SECTION V: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting the Offer-related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The details of the Offer for Sale are set out below:

Sr. No.	Name of Selling Shareholders	Date of consent letter	Number of Offered Shares
1.	Sudhir Rai	November 8, 2023	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 1,680.00 million
2.	Anita Rai	November 8, 2023	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 820.00 million

Fresh Issue

Our Company proposes to utilize the Net Proceeds of the Fresh Issue, i.e., Gross Proceeds of the Fresh Issue less the Offer related expenses in relation to the Fresh Issue ("**Net Proceeds**") towards funding the following objects:

1. Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment;

2. Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions;

3. Funding working capital requirements of the Company; and

4. General corporate purposes

(collectively, the "**Objects**")

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India. The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us: (i) to undertake our existing business activities and other activities set out therein; and (ii) to undertake the activities proposed to be funded from the Net Proceeds and (iii) undertake the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised.

Net Proceeds

The details of the Net Proceeds of the Fresh Issue are set out below:

Particulars	Estimated Amount *(₹ million)*
Gross proceeds of the Fresh Issue	Up to 2,500.00
(Less) Offer-related expenses in relation to the Fresh Issue	[●](1) (2)
Net Proceeds	[●](2)

1. *See "– Offer Expenses" on page 123.*
2. *To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.*

Utilization of Net Proceeds

Our Company proposes to utilize the Net Proceeds towards the following objects:

Particulars	Estimated amount (₹ million)
Funding of capital expenditure requirements of our Company towards	700.00

purchase of machinery and equipment	
Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company, from banks and financial institutions	900.00
Funding working capital requirements of the Company	300.00
General corporate purposes(1)	[●]
Net Proceeds(1)	[●]

(1) To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilized 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 towards the Objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

Particulars	Estimated utilization from Net Proceeds (₹ million)	Estimated schedule of deployment of Net Proceeds	
		Fiscal 2025 (₹ million)	Fiscal 2026 (₹ million)
Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment	700.00	600.00	100.00
Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company from banks and financial institutions	900.00	900.00	-
Funding working capital requirements of the Company	300.00	300.00	-
General corporate purposes(1)	[●]	[●]	[●]
Total	[●]	[●]	[●]

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

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue as required under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) the SEBI ICDR Regulations and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Objects

1. Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment

Market dynamics are changing significantly as the industry's average payload rises, especially increasing intensity of trailer axles for CV trucks (*Source: CRISIL Report*). A major aggregate in the trailer axle is the beam with spindle ends. In India, this is currently being manufactured by welding two C-Section to form a square and the end spindles are then welded on to the beam. However, in other jurisdictions, a different process is followed where ends of the seamless tube of the required thickness are heated, and the spindles are extruded at both ends simultaneously. (*Source: CRISIL Report*) This process is a single piece construction, and no welding is required, hence, benefiting the durability and providing cost efficiently.

With a focus on expanding and growing our manufacturing capabilities to meet the growing requirement in the auto components and aggregate manufacturing sector, we plan to acquire and equip our existing manufacturing facilities and foundry with a wide range of advanced and diverse machineries, equipment and a crane. Further, in order to enhance our backward integration capabilities, we intend to utilize part of the proceeds from the Offer towards funding of capital expenditure for expansion of axle beam extrusion and backward integration into seamless tube at our new manufacturing facility. For further details, see section entitled "*Our Business – Strategies*" on page 202.

Our Board in its meeting dated August 20, 2024 approved an amount of ₹ 700.00 million for the purpose of funding the proposed expenditure as stated herein above from the Net Proceeds. Our Company has received quotations from various vendors for the proposed capital expenditure and is yet to place any orders or enter into definitive agreements for purchase of manufacturing equipment. No second hand or used equipment are proposed to be purchased out of the Net Proceeds.

Our total estimated cost of purchase of equipment as per the quotations received from various vendors is ₹ 724.59 million, and we intend to utilise ₹ 700.00 million out of the Net Proceeds for the purchase of manufacturing equipment, and the remaining expenses shall be met from our internal accruals. The breakdown of such estimated costs is set forth below:

Sr. No.	Name of the Machinery/ Equipment	Particulars/ Machine Type	Quantity	Total Estimated Cost (*in ₹ million*)(1)(2)	Potential Vendor	Date of Quotation	Validity	Manufacturing Facility location
1.	630/1260T Extrusion Machine	Extrusion Machine	6	175.87#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
2.	Conveyor Machine	Conveyor Machine	6	15.07#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
3.	Induction Heating Device 300 KW	Induction Heat Machine	8	21.73#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
4.	Square Tube Extruder	Extruder	1	5.29#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
5.	Extrusion Molds	Mold	24	6.95#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
6.	Thickening Molds	Mold	4	0.85#	Xuzhou Dayi Metalforming Equipment Company Limited	August 3, 2024	9 months	Unit V
7.	Hardening Furnace Size 1200 mm Dia, Length 2200 mm 140 KW with Fan and Hydraulic lid opening device 890°C, Control Panel	Hardening Furnace	1	1.89*	Aditya Thermal Equipments	July 10, 2024	9 months	Unit V
8.	Tempering Furnace at 450°C Size 1200 x 2200 with Hydraulic lid opening 60 KW	Tempering Machine	1	1.65*	Aditya Thermal Equipments	July 10, 2024	9 months	Unit V

Sr. No.	Name of the Machinery/ Equipment	Particulars/ Machine Type	Quantity	Total Estimated Cost (*in ₹ million*)(1)(2)	Potential Vendor	Date of Quotation	Validity	Manufacturing Facility location
9.	Crane	Crane	1	1.18*	Aditya Thermal Equipments	July 10, 2024	9 months	Unit V
10.	Q3710 double hook shot blasting machine with 2 blasting heads	Hook type Shot Blasting Machine	1	2.04#	Qingdao Henglin Group Company Limited	July 12, 2024	10 months	Unit V
11.	210LMGTV Semi Auto Cutting M/c Model ITL-210LMGTV, Roller Table Assembly 1m Long and Swarf Conveyor Assembly	Horizontal Bandsaw Machine	2	1.94*	ITL Industries Limited	August 6, 2024	March 31, 2025	Unit V
12.	ACE make CNC Turning SPM	CNC Turning	3	21.24*	Ace Designers Limited	July 10, 2024	9 months	Unit V
13.	Induction hardening Machine for Axle Beam	Induction Hardening Machine	1	15.32*	GH Induction India Private Limited	July 10, 2024	10 months	Unit V
14.	SPM Grinding Machine	Grinding Machine	1	10.62*	Micromatic Grinding Private Technologies Limited	August 17, 2024	9 months	Unit V
15.	SP- 100, 100 Ton C-Frame Foot switch operated hydraulic press along with Shaft Straightening attachment	Hydraulic Press	4	7.29*	Friends Hydraulics	July 11, 2024	9 months	Unit V
16.	CNC Vertical Machining Center Model: MCV-450	CNC Machine	12	49.56*	ACE Manufacturing Systems Limited	July 13, 2024	Till March 2025	Unit I - 3 Unit IV - 3 Unit V - 6
17.	Jyoti Make CNC Machine, Model DX 200-5A	CNC Machine	15	32.04*	Jyoti CNC Automation Limited	July 15, 2024	9 months	Unit I - 4 Unit III - 3 Unit IV - 4 Unit V - 4
18.	Induction Hardening Machine for Axle Shafts	Induction Machine	2	27.80*	GH Induction India Private Limited	August 17, 2024	10 months	Unit III
19.	UJ Fork duplex CNC Machine	CNC Machine	1	12.73*	Shri Ganesh CNC Microtech Private Limited	July 14, 2024	10 months	Unit V

Sr. No.	Name of the Machinery/ Equipment	Particulars/ Machine Type	Quantity	Total Estimated Cost (*in ₹ million*)(1)(2)	Potential Vendor	Date of Quotation	Validity	Manufacturing Facility location
20.	CNC Centreless Grinding Machine-CLG 6020 CNC	Grinding Machine	1	9.77*	Micromatic Grinding Technologies Limited	July 15, 2024	10 months	Unit I
21.	3-D Coordinate Measuring Machine, Model- 'Spectra'	Coordinate Measuring Machine	3	11.19*	Accurate Sales & Services Private Limited	July 12, 2024	9 months	Unit V - 2 Unit I - 1
22.	CNC Horizontal Machining Center Model: Proton 40	CNC Machine	2	6.68*	Ace Manufacturing Systems Limited	July 15, 2024	10 months	Unit V - 1 Unit IV - 1
23.	ACE Vertical Turret Lathe with all accessories as per scope of supply	Lathe Machine	3	24.60*	Ace Designers Limited	July 11, 2024	Till March 2025	Unit V
24.	JYOTI Make CNC Machine, Model: VTL 750A	CNC Machine	2	15.00*	Jyoti CNC Automation Limited	August 17, 2024	10 months	Unit V
25.	750 KW/500 Hz VIP PROV. QUAD TRAK-R-PI Power and Control System	Induction Melting Furnace	1	17.62*	Inductotherm (India) Private Limited	July 10, 2024	9 months	Unit V
26.	2000 Ton Direct Gear Drive Programmable CNC Screw Hot Forging Press – Model – EP - 2000	Forging Press	1	37.26#	Infinite Forgetech Private Limited	July 16, 2024	March 31, 2025	Unit III
27.	3 Station Die Bolsters with 2 Pillar Guides for 2000 Ton Press	Die Bolsters	2	7.61	Infinite Forgetech Private Limited	July 16, 2024	March 31, 2025	Unit III
28.	Automated customised production line for Rear Axle Shafts on Direct Gear Drive Programmable HMI Screw Press-Model-EP1600 with Free Upsetters	Production Line for Axle Shafts	1 (along with 2 free upsetting machines)	110.12#	Infinite Forgetech Private Limited	July 13, 2024	March 31, 2025	Unit III
29.	700KW, 1 kHz Frequency IGBT Type Induction Billet Heater	Induction Billet Heater	1	10.88*	Megatherm Induction Limited	July 14, 2024	9 months	Unit III

Sr. No.	Name of the Machinery/ Equipment	Particulars/ Machine Type	Quantity	Total Estimated Cost (*in ₹ million*)$^{(1)(2)}$	Potential Vendor	Date of Quotation	Validity	Manufacturing Facility location
30.	"INDTOOLS" Circular Sawing Machine Model "ITL-CSNC 125"	Sawing Machine	2	10.75*	ITL Industries Limited	August 9, 2024	March 31, 2025	Unit III
31.	Screw Air Compressor Model: CPF 220 G with Air Receiver and Screw Air Compressor Model: CPF 150 G with Air Dryer with Down Line Filters (Pre & Post) and Air Receiver	Lubricated screw air compressor & accessories	4	9.93*	Re-source India	August 5, 2024	9 Months	Unit III
32.	ZD7676 flaskless molding machine	Molding Machine	1	11.22#	Qingdao Henglin Group Company Limited	July 16, 2024	10 Months	Unit V
33.	Sand Mould transferring system	Sand Mould Transfer System	1	10.96#	Qingdao Henglin Group Company Limited	July 16, 2024	10 Months	Unit V
34.	40T per hour sand mixing unit	Mixing Machine	1	16.59#	Qingdao Henglin Group Company Limited	July 16, 2024	10 Months	Unit V
35.	Shot Blasting Machine	Blasting Machine	2	3.35#	Qingdao Henglin Group Company Limited	July 16, 2024	10 Months	Unit V
Total				**724.59**				

Notes:

1. The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accrual.

2. Considered to account for other miscellaneous expenditure such as, labour charges for loading/unloading, inspection charges, commissioning charges, erection charges, freight, insurance, entry tax, customs duty, goods and services tax (wherever applicable), packing & forwarding charges, fluctuation in cost at the time of actual order and other applicable taxes as these can be determined only at the time of placing of orders

** Including applicable 18.00% GST*

 # Quotation in USD converted to INR basis conversion rate on July 31, 2024, being, ₹ 83.74 per USD, not inclusive of applicable taxes and freight charges.

All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, 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. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment at any of our facilities, according to the business requirements of such facilities and based on the estimates of our management.

Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

We expect the proposed capital expansion will help increase our capacities for existing products, enter into new products as well as improve our backward integration. We intend to install a new casting line which will be capable of making bigger castings such as hydraulic lift covers for the tractor industry as compared to our existing casting line which has a box size of 710*710*250/300 mm suitable for making brake drums and hubs. We are also investing in in-house machining capabilities for hubs and brake drums which include CNC, VMC and CNC Vertical Lathe Machine. These castings have large amounts of scrap generated during machining which can be re used in the casting process. We believe this expansion of the in-house machining capabilities will help improve our margins and profitability.

We also intend to utilize part of the proceeds from the Offer towards funding of capital expenditure for expansion of axle beam extrusion. This process is a single piece construction, and no welding is required, hence, benefiting the durability and providing cost efficiently. We believe that our investment into axle beam extrusion may allow us to benefit from expansion into product categories like TAG axles where we are not currently present.

2. Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company from banks and financial institutions

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include *inter alia* term loans and working capital facilities. For further details, please see section entitled "*Financial Indebtedness*" beginning on page 296. As of June 30, 2024, our total outstanding borrowings (excluding vehicle loans) amounted to ₹ 1,286.27 million. Our Company proposes to utilise an estimated amount of up to ₹ 900.00 million from the Net Proceeds towards pre-payment or scheduled repayment of all or a portion of the outstanding borrowings availed by our Company.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings. Further, our Company has obtained written consents from our lenders for undertaking the Offer. believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth. Our Company may avail further loans after the date of this Red Herring Prospectus and/or draw down further funds under existing loans. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

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The following table sets forth details of certain borrowings availed by our Company, which are outstanding as on June 30, 2024 out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings, from the Net Proceeds:

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
Axis Bank Limited	June 24, 2024	Cash Credit	385.00	62.76	9.1% p.a.	12	Working capital: Primary: Extension of hypothecation of entire current assets of the borrower, both present and future, Extension of hypothecation of entire moveable and immoveable fixed assets of the borrower (except which are specifically charged axis bank or other lenders), both present and future, first pari passu basis with DBS Bank India Ltd and HDFC Bank. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold Industrial property situated at Unit II. Property at C-78, Phase II, Industrial Area Adityapur plot size 15000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (2) Leasehold Industrial property situated at Plot No. B 30 & 31 phase III Industrial Area Adityapur plot size 60000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (3) Leasehold Industrial property situated at - M4 phase VI (4) Leasehold Industrial property situated at Plot No M2 phase IV Industrial Area Adityapur plot size 72000 sq. Ft. Seraikela-Kharsawan Jharkhand (832108) (5) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (6) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- Seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai,	To meet the working capital requirements	**Working Capital & Term Loan** - 4% (within 12 months), 3% (12 to 24 months), 2% (more than 24 months)
	June 24, 2024	WCDL (sub limit of CC)	300.00	240.00	8.85% p.a.	12		To meet the working capital requirements	
	June 24, 2024	Export credit facility (sub limit of CC)	40.00	-	SOFR+1.00 p.a.	N.A.		To meet the working capital requirements	
	June 24, 2024	Foreign Bills Purchased	40.00	-				To meet the working capital requirements	
	June 24, 2024	SBLC for buyer credit (sub limit of CC)	85.00	-	1% (Commission) p.a.+ GST	N.A.		For availment of buyers credit	
	June 24, 2024	BG	30.00	-	1% (Commission) p.a.+ GST	N.A.		In favour of govt./ semi- gov. departments, earnest money for traders or any other in connection with the trade/activities of borrower	
	June 23, 2023	Term Loan-3	17.62	9.72	9.75% p.a	18		Take over from Canara bank	
	October 27, 2021	Term Loan-1	80.38	25.36	9.75% p.a	17		Take over from Federal bank	
	October	Term	20.00	9.66	9.75% p.a	28		For Procurement of P&M/Equipment	

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
	27, 2021	Loan-2 (Existing)					Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 1: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortgage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: - 131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 2: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortgage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita	and related civil cost at Unit V	
	June 24, 2024	Term loan - 4	200.00	10.48	9.50% p.a	67		Plant & Machinery at its various unit.	
	October 27, 2021	WCTL-ECLGS-2	37.26	15.53	9.25% p.a	20		For takeover of term loan under ECLGSS from federal bank ltd at its existing level under ECLGS.	
	June 23, 2023	WCTL-ECLGS-1	21.70	19.44	9.25% p.a.	44		as per existing terms	
	June 23, 2023	WCTL-ECLGS-3	17.19	10.31	9.25% p.a	19		To meet the liquidity mismatch arising out of covid-19 under ECLGS scheme	
	June 23, 2023	WCTL-ECLGS-4	13.70	11.42	9.25% p.a	30		To meet the liquidity mismatch arising out of covid-19 under ECLGS scheme	

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							Rai. Term loan 3: Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold Industrial property situated at Unit II. Property at C-78, Phase II, Industrial Area Adityapur plot size 15000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (2) Leasehold Industrial property situated at Plot No. B 30 & 31 phase III Industrial Area Adityapur plot size 60000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (3) Leasehold Industrial property situated at - M4 phase VI (4) Leasehold Industrial property situated at Plot No M2 phase IV Industrial Area Adityapur plot size 72000 sq. Ft. Seraikela-Kharsawan Jharkhand (832108) (5) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (6) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 4: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan		

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term Loan- ECLGS: Second charge on primary & collateral security except guarantees. 100% guarantee from NCGTC.(National Credit Guarantee Trustee Company Limited)		
	April 26, 2024	ADHOC-Cash Credit	130.00	131.03	9.60% p.a	2	Primary: Subservient charge on current assets and moveable fixed assets of the company (except assets specifically financed by other Banks/FI and motor vehicles, if any) both present and future. Collateral: Equitable mortgage of the following property: Industrial plot no- NS-06, 5th phase, Industrial area, Adityapur, dist: - Seraikella- Kharsawan, pin code: - 832108. Personal Guarantors: Sudhir Rai, Anita Rai, Sumeet Rai & Kunal Rai	To meet temporary mismatches in working capital	N.A.
DBS India Limited	August 4, 2023	Cash Credit (OD/CC)	200.00	150.00	9.3% p.a.	1	Sanction Letter Dated: 4th Aug, 2023 Primary Security: (1) Pari Passu first charge with Canara, HDFC and Axis Bank over the entire current assets of the company, both present & future (Except invoices discounted under Bill Discounting facility with Kotak Mahindra Bank) for WC facilities and TL of Canara Bank. (2) Pari passu first charge with Canara Bank, HDFC & Axis Bank on movable fixed assets (except which are specifically charged to the other lenders) for WC Facilities and TL of Canara Bank. Collateral Security: Unit I Part A: Pari	To meet the working capital requirements	4% + applicable GST

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 179(P) and 819(P), Total Area:- 43,565 Sq.ft Unit I Part B: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 179(P), Total Area:- 21,708 Sq. ft. Unit II: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at C-78, 3rd Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 631 (P) 82, Total Area:- 15,000 Sq. ft. Unit III: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. 1311(P)/1312(P)/1313(P)/1315(P)/1316(P). Khata No. 43 Plot No. B-30 & B-31. 3rd Phase, Total Area: - 60,000 Sq. ft. Unit IV: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at Plot No. M-02P, 4th Phase, Industrial Area Adityapur, Total Area: - 1.65 Acres. Cash Margin of 15% on LC/ BG Limits. Personal Guarantees of- Mr. Sudhir Rai, Mrs. Anita Rai, Mr. Sumeet Rai and Mr. Kunal Rai		
HDFC Bank Limited	November 14, 2023	Cash Credit	300.00	302.71	rate as per previous sanction letter	4	Secured by pari passu first charge on stock with and receivables up to 120 days pari passu first charge on specified lease hold property of Company, Pari-passu first charge on entire Plant and Machinery (Excluding Assets specifically	To meet the working capital requirements	No prepayment penalty shall be charged
	November 14, 2023	LC	70.00	50.73		4		To meet the working capital requirements	No prepayment penalty shall

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							financed by Siemens and L&T Finance) and fixed deposit. Industrial property- first pari passu charge on below property (1) Plot No M4, phase 6, industrial area Adityapur (2) plot no C-78, phase 3 industrial area Adityapur (3) Plot no B30& 31, phase 3 industrial area Adityapur (4) plot no M2, phase 4 industrial area Adityapur. For term loan: Secured by Pari-passu second charge over the entire current assets of the Company, both present and future, exclusive charge on Plant and Machineries procured from the Term Loan and there is personal guarantees from promoters: Kunal Rai, Sudhir Rai, Anita Rai and Sumeet Rai on all facilities except on LC, GECL- WCTL & GECL-WCTL 2(Extn).		be charged
	December 28, 2022	Term Loan	75.00	62.89	8.85% p.a	43		Capex	As applicable
	July 12, 2022	Term Loan	35.00	24.82	(8.25% to 9.08%) p.a	38		Capex	As applicable
	October 25, 2023	Term Loan	80.00	75.48	9% p.a	45		Capital expenditure for purchase of machines in Jamshedpur Unit V for expansion	As applicable
	January 12, 2021	GECL-WCTL	98.00	26.61	7.25% p.a	19		To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operation	No prepayment penalty shall be charged
	January 4, 2022	GECL-WCTL 2 (Extn)	31.95	25.00		46		To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operation	No prepayment penalty shall be charged
Siemens Financial Services Private Limited	March 8, 2021	Term loan-A9581787	4.90	1.09	10.50% p.a	8	Secured by hypothecation of respective assets financed and also secured by the personal guarantee of promoters: Sudhir Rai and Anita Rai.	Equipment Purchase	4% on prepaid amount
	September 14, 2021	Term loan-A9718734	6.90	2.57	10.25% p.a	15		Equipment Purchase	4% on prepaid amount
	October 25, 2021	Term loan-A9740583	1.16	0.44	10.00% p.a	16		Equipment Purchase	4% on prepaid amount
	November	Term	1.53	0.62	10.00% p.a	17		Equipment Purchase	4% on

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
	9, 2021	loan-A9757699							prepaid amount
Total			**1,857.29**	**1,268.67**					

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated August 22, 2024, issued by our Statutory Auditor, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.*

In the event that there are any prepayment or repayment penalties required to be paid under the terms of the relevant financing arrangements, the amount of such prepayment or repayment penalties shall be paid by us out of our internal accruals.

3. Funding working capital requirements of the Company

Our Company proposes to utilise ₹ 300.00 million from the Net Proceeds to fund our working capital requirements. Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks and financial institutions. As at March 31, 2024, our Company had total sanctioned limit of (fund & non fund based) working capital facilities of ₹ 905.00 million, and has utilized ₹ 796.85 million (fund based) and ₹ 60.84 million (non-fund based). For further information, see "*Financial Indebtedness*" and "*Financial Information*" on pages 296 and 253, respectively.

Basis of estimation of working capital requirement

The details of our Company's working capital requirements as at March 31, 2024, March 31, 2023 and March 31, 2022 based on audited financial statements of our Company and funding of the same are as set out in the table below:

(₹ in million)

Particulars	As at		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Current assets			
(a) Inventories	835.18	621.96	413.72
(b) Financial assets			
(i) Trade receivables	1,098.38	518.07	503.51
(ii) Other financial assets	1.75	1.81	2.07
(c) Other current assets	295.86	229.52	208.20
Total Current Assets (A)*	**2,231.16**	**1,371.36**	**1,127.50**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	487.51	340.43	191.62
(ii) Other financial liabilities	79.24	28.78	13.89
(iii) Lease liabilities	2.75	0.25	-
(b) Other current liabilities	104.71	77.97	63.21
(c) Short term Provisions	6.44	4.83	3.92
(d) Current tax liabilities (net)	86.77	48.14	25.44
Total Current Liabilities (B)	**767.43**	**500.40**	**298.08**
Net Working Capital Requirements (A-B)	**1,463.73**	**870.96**	**829.42**
Existing Funding Pattern			
A. Borrowings (including bill discounting)	945.79	611.20	623.28
B. Internal Accruals**/Equity	517.94	259.76	206.14
Total	**1,463.73**	**870.96**	**829.42**

** excludes cash and cash equivalents, other bank balances and current investments*
*** Internal Accruals = Total working capital requirement less short-term borrowings*

On the basis of our existing working capital requirements and the incremental working capital requirements, the details of the Company's expected working capital requirements as at March 31, 2024 and March 31, 2025 and funding of the same are as set out in the table below:

(₹ in million)

Particulars	Fiscal 2025 (Estimated)	Fiscal 2026 (Estimated)
Current assets		
(a) Trade receivables	1,397.26	1,972.60
(b) Inventories	1,164.38	1,643.84
(c) Other financial and current assets	419.18	591.78
Total current assets (A)	**2,980.82**	**4,208.22**
Current liabilities		
(a) Trade payables	675.34	953.42
(b) Other financial and current liabilities	349.32	493.15
Total current liabilities (B)	**1,024.66**	**1,446.58**

Particulars	Fiscal 2025 (Estimated)	Fiscal 2026 (Estimated)
Net working capital requirements I (C=A-B)	**1,956.16**	**2,761.64**
Means of finance		
Proceeds from the Fresh Issue	300.00	300.00*
Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting) or internal accruals	1,656.16	**2,461.64**
Total	**1,956.16**	**2,761.64**

** indicates that the amount will remain deployed for working capital purposes.*

Holding levels

Provided below are the details of the holding levels (days) considered:

Particulars	No. of Days for				
	Fiscal 2022 (Actual)	Fiscal 2023 (Actual)	Fiscal 2024 (Actual)	Fiscal 2025 (Estimated)	Fiscal 2026 (Estimated)
Current assets					
(a) Trade receivables	62	39	65	60	60
(b) Inventories	51	46	49	50	50
(c) Other financial and current assets	26	17	18	18	18
Current liabilities					
(a) Trade payables	24	25	29	29	29
(b) Other financial and current liabilities	13	12	16	15	15

Justification for holding period levels

Sr. No.	Particulars	Assumptions
Current Assets		
1.	Inventories	Inventory levels tend to be dependent upon anticipated growth over the coming year and delivery schedules provided to us by our customers. Our inventory in terms of numbers of days of revenues from operations has been in the range of 46-51 days over the last 3 Fiscals and thus we have assumed inventory levels of 50 days for Fiscal 2025 and Fiscal 2026.
2.	Trade receivables	The holding levels of the Company's trade receivables have ranged from 39-65 days of revenues from operations during the last 3 Fiscals. The levels of trade receivables in Fiscal 2022 were elevated owing to delayed recovery from COVID which partially normalized in Fiscal 2023 to 39 days before increasing to 65 days in Fiscal 2024. Based on the levels of Trade Receivables and expectations of some normalization, the Company has assumed 60 days each for Fiscal 2025 and Fiscal 2026.
3.	Other financial and current assets	The Company's other financial and current assets largely comprise of advances to suppliers and service providers, GST receivables, advances to employees, prepaid expenses and security deposits amongst others. The holding levels of other financial and current assets of the Company have ranged from 17- 26 days during the last 3 Fiscals. Based on levels of other financial and other current assets during Fiscal 2024, we have assumed 18 days each for Fiscal 2025 and Fiscal 2026.
Current Liabilities		
4.	Trade payables	Over the past three years, the Company's trade payables have varied between 24 days and 29 days. Based on levels witnessed in Fiscal 2024, we have assumed trade payables of 29 days each for Fiscal 2025 and Fiscal 2026.
5.	Other current liabilities & Provisions	The Company's other current liabilities and provisions comprises of lease liabilities (current), short-term provisions, current tax liabilities (net), payables to employees, other payables and statutory dues. Holding levels under this head has ranged from 12-16 days in the last three Fiscals. The Company has projected this at around 15 days each for Fiscal 2025 and Fiscal 2026.

4. *General corporate purposes*

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, strategic initiatives, funding growth opportunities, strengthening marketing capabilities, acquisitions, meeting ongoing general corporate exigencies and contingencies; meeting our business requirements, expenses incurred in ordinary course of business, payment of commission and/or fees to consultants, business development initiatives, employee welfare activities, other expenses including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties and any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. 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.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the BRLM and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs and CDPs, SCSBs' fees, Escrow Collection Bank fees, Sponsor Banks' fees, the Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees for the Offer which will be borne solely by our Company, all fees, costs and expenses required to be paid in respect of the Offer will be shared among our Company and the Promoter Selling Shareholders on a *pro-rata* basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, upon the successful completion of the Offer, in compliance with applicable law. All proportional Offer-related fees, costs and expenses to be borne by the Promoter Selling Shareholders and shall be deducted from his portion of the Offer proceeds and only the balance amount will be paid to the Promoter Selling Shareholders.

It is clarified that, in the event that the Offer is withdrawn, abandoned or terminated for any reason whatsoever, the expenses incurred in relation to the proposed Offer will also be shared among the Company and the Promoter Selling Shareholders on a *pro-rata* basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholders in the Offer for Sale

The estimated Offer related expenses are set out below.

Activity	Estimated expenses(1)	As a percentage of the total estimated Offer expenses(1)	As a percentage of the total Offer size(1)
	(₹ million)	*(%)*	*(%)*
BRLM fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs(2)(3)(4)	[●]	[●]	[●]
Brokerage and selling commission and bidding/uploading charges for Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(5)	[●]	[●]	[●]

Activity	Estimated expenses[1]	As a percentage of the total estimated Offer expenses[1]	As a percentage of the total Offer size[1]
	(₹ million)	*(%)*	*(%)*
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others			
Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to legal counsels	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalized and incorporated in the Prospectus on determination of Offer Price.*

(2) *Offer Expenses include applicable taxes, where applicable. Offer Expenses are estimates and are subject to change.*

(3) *Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

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

Processing fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIBs, Non-Institutional Bidders^ and Eligible Employee(s)	*₹10 per valid Bid cum Application Form (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 Bidders and QIBs with Bids above ₹500,000 would be ₹10 plus applicable taxes, per valid application.

Notwithstanding anything contained above, the total processing fee payable under this clause will not exceed ₹1.00 million (plus applicable taxes), and if the total processing fees exceeds ₹ 1.00 million (plus applicable taxes), then the processing fees will be paid on a pro-rata basis.

(5) *Selling commission on the portion for RIBs (up to ₹200,000) and Non-Institutional Bidders (from ₹200,000 to ₹500,000) which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the registered brokers which are Members of Syndicate (including their sub-Syndicate Members) would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

The selling commission payable to the Syndicate/sub-Syndicate Members will be determined:

(i) For RIBs and NIBs (Bids up to ₹500,000) 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.

(ii) For NIBs (Bids above ₹500,000) on the basis of the Syndicate ASBA Form bearing SM Code and the Sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the Stock Exchanges' platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number/series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the Syndicate/sub-Syndicate Members and not the SCSB.

[6] *Bid uploading charges:*

(i) *payable to Members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: ₹10 plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members).*

(ii) *payable to the SCSBs on the portion of QIBs and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSBs for blocking and uploading would be: ₹10 per valid application (plus applicable taxes).*

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

Selling commission/ Bid uploading charges payable to the Registered Brokers on the portion for RIBs (up to ₹200,000) and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹10 per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹10 per valid Bid cum Application Form (plus applicable taxes)*

** Based on valid applications*

Bidding Charges payable to Members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the portion of QIBs and Non-Institutional Bidders (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 ₹10 per valid application (plus applicable taxes).

Notwithstanding anything contained above, the total processing fee payable under this clause will not exceed ₹10,00,000 (plus applicable taxes), and if the total processing fees exceeds ₹10,00,000 (plus applicable taxes), then processing fees will be paid on a pro-rata basis.

[7] *Bid uploading charges/processing fees for applications made by RIBs (up to ₹200,000) and Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism would be as under:*

Members of the Syndicate / RTAs / CDPs (uploading charges)	*₹30 per valid Bid cum Application Form (plus applicable taxes)*
Axis Bank Limited	*₹Nil up to 10 lacs of UPI successfully blocked applications, on and above 10 lacs charges would be ₹ 6.50 + GST as applicable. 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.*
HDFC Bank Limited	*₹Nil up to 2 lacs of UPI successfully blocked applications, on and above 2 lacs charges would be ₹ 6.50 + GST as applicable. 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.*

Notwithstanding anything contained above, the total Bid uploading charges/processing fees for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than (from ₹200,000 to ₹500,000) using the UPI Mechanism would not exceed ₹1.00 million (plus applicable taxes), and if the total Bid uploading charges/processing fees exceeds ₹1.00 million (plus applicable taxes), then Bid uploading charges/processing fees using UPI Mechanism will be paid on a pro-rata basis except the fee payable to Sponsor Banks (plus applicable taxes).

For avoidance of doubt, notwithstanding anything mentioned in any of the aforementioned clauses, the total cost to the Company and Selling Shareholder shall not exceeds ₹3.00 million (plus applicable taxes) for uploading and/or processing of the Bids. If the total cost to the Company and Selling Shareholder exceeds ₹3.00 million, then the amount of ₹3.00 million (plus applicable taxes) shall be distributed on a pro-rata basis in the manner stipulated above, so that the total cost of the Company and Selling Shareholder shall not exceed ₹3.00 million (plus applicable taxes).

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

The 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/P/CIR/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 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate/ sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 500,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate/ sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading/ watermark, 'Syndicate ASBA' may be used by Syndicate/ sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 500,000 will not be eligible for brokerage.

Interim use of the Net Proceeds

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Our Company has appointed India Rating and Research Private Limited as the monitoring agency to monitor utilization of Gross Proceeds from the Fresh Issue, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of this Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net 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 and continue to disclose the utilization of the Gross Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds, which shall discuss, monitor and approve the use of the Gross Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross

Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Gross Proceeds shall be certified by the Auditors.

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 indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects. This information will also be published on our website.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects, without our Company being authorized to do so by its Shareholders by way of a special resolution and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details and be published in accordance with the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to the Companies Act, the Promoter, as at the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the provisions of the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Promoter Selling Shareholders in the Offer for Sale, neither our Promoter, nor members of the Promoter Group, Directors, KMPs, Senior Management, or Group Companies will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoter, members of the Promoter Group, Directors, KMPs, Senior Management, or Group Companies. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoter, member of our Promoter Group, Group Companies and associates of our Company, as applicable, shall receive any part of the Net Proceeds, directly or indirectly.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below and is justified in view of these parameters. The face value of the Equity Shares is ₹5 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also refer to "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 195, 253 and 305, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Long standing relationship with large OEMs and their tier one suppliers, domestic dealers and fabricators for our trailer axle and suspension business complemented by a diversified network of dealers for our trailer axle and suspension assembly business

- Wide recognition as one of the prominent manufacturers of trailer axles and suspension assemblies in India and one of the few players domestically with the competency to manufacture trailer axles and suspension assembly in-house

- Diversified product portfolio with a focus on continuous value addition

- Integrated manufacturing operations coupled with in-house product and process design capabilities which offer scale, flexibility and comprehensive solutions

- Track record of sustained growth and robust financial performance in the last three financial years

For further details, please refer to the section titled "*Our Business – Competitive Strengths*" on page 197.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, please refer to the section titled "*Restated Financial Information*" on page 253.

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

1. Basic and Diluted Earnings per Share ("EPS") as per the Restated Financial Information:

Financial Year	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
For the year ended March 31, 2024	8.30	8.30	3
For the year ended March 31, 2023	5.72	5.72	2
For the year ended March 31, 2022	2.25	2.25	1
Weighted Average	**6.43**	**6.43**	**-**

Notes:

1. *EPS has been calculated in accordance with the Indian Accounting Standard (Ind AS) 33 (earnings per share) issued by the ICAI. The face value of Equity Shares of the Company is ₹5.*
2. *Basic EPS = Restated profit for the year, attributable to equity shareholders for the year/ Weighted average number of equity shares outstanding during the year presented in accordance with Ind AS 33.*
3. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x Weight) for each year/ total of weights.*
4. *Diluted EPS = Restated profit for the year, attributable to equity shareholders for the year / Weighted average number of diluted equity shares and potential additional equity shares outstanding during the year presented in accordance with Ind AS 33.*
5. *Basic and diluted earnings/(loss) per equity share: Basic and diluted earnings/(loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015, as amended. For the Company, sub-division of Equity Shares are retrospectively considered for the computation of EPS for all years presented.*
6. *The above statement should be read with Material Accounting Policies and the notes to the Restated Financial Information as appearing in the section titled "Restated Financial Information" on page 253.*

2. **Price/Earnings ("P/E") Ratio in relation to 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 as per the Restated Financial Information for the year ended March 31, 2024	[●]	[●]
Based on diluted EPS as per the Restated Financial Information for the year ended March 31, 2024	[●]	[●]

Note: To be updated at the price band stage.

3. **Industry Peer Group P/E ratio**

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E Ratio
Highest	46.55
Lowest	17.05
Average	**24.85**

Source: Based on peer set provided below.

Notes:

i. *The industry highest and lowest has been considered from the industry peer set provided later in this section under "- Comparison of Accounting Ratios with listed industry peers". The average/ industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*

ii. *P/E ratio for the peer are computed based on closing market price as on August 14, 2024 at BSE divided by Diluted EPS based on the annual report of the peer companies for the Financial Year 2024.*

4. **Return on Net Worth attributable to the owners of the Company ("RoNW") (as adjusted)**

Financial Year	RoNW (%)	Weight
For the year ended March 31, 2024	30.57%	3
For the year ended March 31, 2023	30.29%	2
For the year ended March 31, 2022	16.81%	1
Weighted Average	**28.18%**	**-**

Notes:

1. *RoNW (%) is calculated as restated Profit for the year attributable to equity shareholders of the Company divided by Net Worth of the Company.*
2. *Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/total of weights.*

5. **Net asset value ("NAV") (as adjusted) bearing face value of ₹ 5 each**

As at	Restated NAV (₹)
As at March 31, 2024	27.14
After the completion of the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
Offer Price (1)	[●]

For further details, please refer to the section titled "Other Financial Information" on page 293.

Notes:

i. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

ii. *Net asset value per Equity Share= Net worth as restated / Number of equity shares as at year end.*

6. Accounting Ratios

Name of Company	Consolidated/ Standalone	Face Value (₹ per share)	Revenue from Operations (in ₹ million)	EPS (₹ per share)		NAV (₹ per share)	P/E	RONW (%)
				Basic	Diluted			
Kross Limited*	Standalone	5.00	6,202.50	8.30	8.30	27.14	**[•]**	30.57%
Ramkrishna Forgings Limited	Consolidated	2.00	39,548.83	20.27	20.09	148.48	46.55	12.72%
Jamna Auto Industries Limited	Consolidated	1.00	24,267.73	5.15	5.14	22.64	24.30	22.74%
Automotive Axles Limited	Standalone	10.00	22,291.74	109.95	109.95	579.63	17.05	18.97%
GNA Axles Limited	Consolidated	10.00	15,062.62	23.28	23.28	186.69	17.32	12.47%
Talbros Automotive Components Limited	Consolidated	2.00	7,782.67	17.82	17.82	87.02	19.03	20.47%

**Financial information for the Company is derived from the Restated Financial Information as at and for the financial year ended March 31, 2024.*
 # All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual audited financial results of the respective companies for the year ended March 31, 2024.

Notes for Listed Peers:

1. Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company.
2. P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 14, 2024 divided by the Diluted EPS provided.
3. Return on net worth (RoNW) is computed as profit for the year attributable to common shareholders of the parent divided by net worth (excluding non-controlling interest), as at March 31, 2024.
4. NAV per equity share has been computed as the Net Worth attributable to common shareholders (excluding non-controlling interest) divided by the total number of shares outstanding, as at March 31, 2024.

7. Key performance indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze its business performance, which in result, help us in analyzing the growth of business in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 2, 2024. Further, the members of the 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 period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by M/s S.K. Naredi & Co., Chartered Accountants, pursuant to a certificate dated September 2, 2024.

We have described and defined the KPIs, as applicable, in "*Definitions and Abbreviations – Financial and operational Key Performance Indicators*" on page 13. For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, please refer to the sections titled "*Our Business*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 195 and 305, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company) for a period of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

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

Sr. No.	Key Performance Indicators	Description, Rationale and Assumptions for the KPI
1.	Revenue from operations (₹ million)	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of the business.
2.	Growth in revenue from operations (%)	Growth in Revenue from Operations provides information regarding the growth of the business for the respective period.
3.	Gross Profit (₹ million)	Gross Profit provides information regarding the value addition by our Company (including its profits) over material cost on sale of products and services by our Company.
4.	Gross Margin (%)	Gross Margin (%) is an indicator of the value addition by our Company (including its profits) over material cost on sale of products and services by our Company.
5.	EBITDA (₹ million)	EBITDA provides information regarding the operational efficiency of the business.
6.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
7.	Restated Profit for the Year (₹ million)	Restated Profit for the year provides information regarding the overall profitability of the business.
8.	Profit after tax Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
9.	Return on Equity ("RoE") (%)	RoE provides how efficiently our Company generates profits from shareholders' funds
10.	Return on Capital Employed ("RoCE") (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
11.	Debt/Total Net Worth (in times)	Debt to Total Net worth Ratio is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our equity position. It helps evaluate our financial leverage.
12.	Gross fixed assets turnover ratio (in times)	Gross fixed assets turnover ratio measures the efficiency of our fixed assets (property, plant and equipment) in generating revenue.
13.	Revenue from sale of products and services split between domestic and exports (₹ million and %)	This metric enables our Company to track the progress of revenue from sale of products and services from domestic and exports.

Set out below are the details of our KPIs as at/ for the financial years ended March 31, 2024, March 31 2023 and March 31, 2022.

Sr. No.	Particulars	As of		
		Financial Year ended 2024	Financial Year ended 2023	Financial Year ended 2022
1.	Revenue from Operations (₹ million)	6,202.50	4,886.28	2,974.55
2.	Growth in revenue from operations (%)	26.94%	64.27%	61.86%
3.	Gross Profit (₹ million)	2,643.47	1,989.19	1,371.69
4.	Gross Margin (%)	42.62%	40.71%	46.11%
5.	EBITDA (₹ million)	807.58	575.22	295.48
6.	EBITDA Margin (%)	13.02%	11.77%	9.93%
7.	Profit for the Year (₹ million)	448.81	309.31	121.69
8.	PAT Margin (%)	7.22%	6.32%	4.09%
9.	Return on Equity (%)	30.57%	30.29%	16.81%
10.	Return on Capital Employed (%)	28.15%	27.51%	14.97%
11.	Debt/Total Net Worth (in times)	0.80	0.86	1.19
12.	Gross Fixed Assets Turnover Ratio (in times)	3.69	3.49	2.43
13.	Revenue from Sale of products and services (In India) (₹ million)	6,131.53	4,871.29	2,948.34
	Revenue from Sale of products and services (Outside India) (₹ million)	70.97	14.99	26.21
	Total Revenue from Sale of products and services	6,202.50	4,886.28	2,974.55
	Revenue from Sale of products and services (In India) (%)	98.86%	99.69%	99.12%
	Revenue from Sale of products and services (Outside India) (%)	1.14%	0.31%	0.88%

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. *Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus cost of services minus Purchase of traded Goods minus (increase)/decrease in inventories of finished goods, work-in-progress, traded goods and scrap*
4. *Gross Margin is calculated as Gross Profit divided by revenue from operations*
5. *EBITDA is calculated as profit/ (loss) for the year less exceptional items, share of profit of joint ventures and other income plus finance costs, depreciation and amortisation, and total income tax expenses*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from operations*
7. *Profit for the year.*
8. *PAT Margin is calculated as profit/ (loss) for the year divided by total income.*
9. *Return on Equity is calculated as profit/ (loss) for the year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest)*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus total borrowings plus total Lease liabilities and Deferred Tax Liabilities while EBIT is calculated as EBITDA plus other income and share of profit of joint ventures less depreciation and amortization*
11. *Debt/ Total Net worth is calculated as total debt (including current and non-current borrowings) divided by total equity*
12. *Gross Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by cost of property, plant and equipment plus gross value of capital work in progress plus gross right of use assets plus other intangible assets.*
13. *Revenue from sale of products and services split between domestic and exports. Percentage of revenue (%) from domestic is calculated as revenue from domestic sale of products and services divided by total revenue from sale of products and services. Percentage of revenue (%) from exports is calculated as revenue from exports sale of products and services divided by total revenue from sale of products and services.*

** The above has been certified by M/s S.K. Naredi & Co., Chartered Accountants, pursuant to a certificate dated September 2, 2024. This certificate has been designated a material document for inspection in connection with the Offer. See "Material Contracts and Documents for Inspection" on page 417.*

8. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance. 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 Company's 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.

9. Comparison of KPIs based on additions or dispositions to our business

While our listed peers (mentioned below), like us, operate in the auto components industry and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

Comparison of accounting ratios and KPIs of our Company and listed peers

a. ***Comparison with listed industry peers (Fiscal 2024)***

Metric	For the Fiscal Year 2024					
	Kross Limited	Ramkrishna Forgings Limited	Jamna Auto Industries Limited	Automotive Axles Limited	GNA Axles Limited	Talbros Automotive Components Limited
	Standalone	Consolidated	Consolidated	Standalone	Consolidated	Consolidated
Revenue from Operations (₹ million)	6,202.50	39,548.83	24,267.73	22,291.74	15,062.62	7,782.67
Growth in revenue from operations (%)	26.94%	23.87%	4.36%	(4.07)%	(4.84)%	20.25%
Gross Profit (₹ million)	2,643.47	19,402.90	8,775.90	6,423.65	5,074.57	3,557.83
Gross Margin (%)	42.62%	49.06%	36.16%	28.82%	33.69%	45.71%
EBITDA (₹ million)	807.58	8,400.40	3,272.84	2,462.85	1,972.69	1,146.52
EBITDA Margin (%)	13.02%	21.24%	13.49%	11.05%	13.10%	14.73%
Profit for the Year (₹ million)	448.81	3,414.35	2,054.15	1,661.55	999.64	1,099.76
PAT Margin (%)	7.22%	8.57%	8.45%	7.40%	6.63%	13.91%
Return on Equity (%)	30.57%	12.72%	22.74%	18.97%	12.47%	20.47%
Return on Capital Employed (%)	28.15%	15.00%	26.75%	25.13%	14.77%	17.56%
Debt/Total Net Worth (in times)	0.80	0.42	0.18	0.01	0.24	0.16
Gross Fixed Assets Turnover Ratio (in times)	3.69	1.06	2.83	4.36	NA	NA
Revenue from Sale of products and services (In India) (₹ million)	6,131.53	24,690.30	23,871.78	22,291.74	NA	NA
Revenue from Sale of products and services (Outside India) (₹ million)	70.97	14,858.53	395.95	-	NA	NA
Revenue from Sale of products and services (In India) (%)	98.86%	62.43%	98.37%	100.00%	NA	NA
Revenue from Sale of products and services (Outside India) (%)	1.14%	37.57%	1.63%	0.00%	NA	NA

b. ***Comparison with listed industry peers (Fiscal 2023)***

Metric	For the Fiscal Year 2023					
	Kross Limited	Ramkrishna Forgings Limited	Jamna Auto Industries Limited	Automotive Axles Limited	GNA Axles Limited	Talbros Automotive Components Limited

	Standalone	Consolidated	Consolidated	Standalone	Consolidated	Consolidated
Revenue from Operations (₹ million)	4,886.28	31,928.95	23,253.18	23,237.01	15,829.34	6,471.83
Growth in revenue from operations (%)	64.27%	37.61%	35.36%	55.89%	24.59%	12.12%
Gross Profit (₹ million)	1,989.19	15,823.62	7,753.12	6,549.59	5,328.99	2,960.60
Gross Margin (%)	40.71%	49.56%	33.34%	28.19%	33.67%	45.75%
EBITDA (₹ million)	575.22	6,923.19	2,614.00	2,574.63	2,326.86	872.97
EBITDA Margin (%)	11.77%	21.68%	11.24%	11.08%	14.70%	13.49%
Profit for the Year (₹ million)	309.31	2,481.08	1,683.68	1,620.29	1,302.08	555.77
PAT Margin (%)	6.32%	7.76%	7.21%	6.96%	8.22%	8.51%
Return on Equity (%)	30.29%	18.77%	21.47%	21.34%	18.22%	15.12%
Return on Capital Employed (%)	27.51%	17.85%	28.47%	28.07%	20.22%	17.41%
Debt/Total Net Worth (in times)	0.86	0.99	0.02	0.01	0.28	0.24
Gross Fixed Assets Turnover Ratio (in times)	3.49	1.20	3.17	4.79	2.17	1.82
Revenue from Sale of products and services (In India) (₹ million)	4,871.29	19,404.56	22,819.79	23,235.91	7,206.59	4,624.82
Revenue from Sale of products and services (Outside India) (₹ million)	14.99	12,524.39	433.38	1.10	8,389.14	1,847.01
Revenue from Sale of products and services (In India) (%)	99.69%	60.77%	98.14%	100.00%	46.21%	71.46%
Revenue from Sale of products and services (Outside India) (%)	0.31%	39.23%	1.86%	0.00%	53.79%	28.54%

c. Comparison with listed industry peers (Fiscal 2022)

Metric	For the Fiscal Year 2022					
	Kross Limited	Ramkrishna Forgings Limited	Jamna Auto Industries Limited	Automotive Axles Limited	GNA Axles Limited	Talbros Automotive Components Limited
	Standalone	Consolidated	Consolidated	Standalone	Consolidated	Consolidated
Revenue from Operations (₹ million)	2,974.55	23,202.47	17,178.75	14,906.19	12,704.74	5,772.40
Growth in revenue from operations (%)	61.86%	80.01%	59.14%	64.60%	42.82%	29.95%
Gross Profit (₹ million)	1,371.69	11,595.18	5,942.89	4,284.66	4,353.40	2,707.79
Gross Margin (%)	46.11%	49.97%	34.59%	28.74%	34.27%	46.91%
EBITDA (₹ million)	295.48	5,169.92	2,262.87	1,346.76	1,809.44	755.06
EBITDA Margin (%)	9.93%	22.28%	13.17%	9.03%	14.24%	13.08%
Profit for the Year (₹ million)	121.69	1,980.27	1,408.04	743.58	887.60	448.86
PAT Margin (%)	4.09%	8.53%	8.17%	4.97%	6.98%	7.67%
Return on Equity (%)	16.81%	18.36%	20.56%	11.97%	14.91%	14.87%
Return on Capital Employed (%)	14.97%	12.60%	22.16%	15.91%	16.13%	16.94%
Debt/Total Net Worth (in times)	1.19	1.48	0.26	0.02	0.37	0.29
Gross Fixed Assets Turnover Ratio (in times)	2.43	1.02	2.45	3.23	1.94	1.75
Revenue from Sale of products and services (In India) (₹ million)	2,948.34	13,567.32	16,931.53	14,905.79	4,822.69	4,216.46
Revenue from Sale of products and services (Outside India) (₹ million)	26.21	9,635.15	247.23	0.39	7,605.18	1,555.94
Revenue from Sale of products and services (In India) (%)	99.12%	58.47%	98.56%	100.00%	38.81%	73.05%

Revenue from Sale of products and services (Outside India) (%)	0.88%	41.53%	1.44%	0.00%	61.19%	26.95%

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. *Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus cost of services minus Purchase of traded Goods minus (increase)/decrease in inventories of finished goods, work-in-progress, traded goods and scrap*
4. *Gross Margin is calculated as Gross Profit divided by revenue from operations*
5. *EBITDA is calculated as profit/ (loss) for the year less exceptional items, share of profit of joint ventures and other income plus finance costs, depreciation and amortisation, and total income tax expenses*
6. *EBITDA Margin is calculated as EBITDA divided by Revenue from operations*
7. *Profit for the Year*
8. *PAT Margin is calculated as profit/ (loss) for the year divided by total income*
9. *Return on Equity is calculated as profit/ (loss) for the year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest)*
10. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus total borrowings plus deferred tax liability plus lease liabilities (current and non-current) while EBIT is calculated as EBITDA plus other income and share of profit of joint ventures less depreciation and amortization.*
11. *Debt/ Total Net worth is calculated as total debt (including current and non-current borrowings) divided by total equity*
12. *Gross Fixed Assets Turnover Ratio is calculated as revenue from operations for the year divided by cost of property, plant and equipment plus gross value of capital work in progress plus gross value of right of use assets plus other intangible assets.*
13. *Revenue from sale of products and services split between domestic and exports. Percentage of revenue (%) from domestic is calculated as revenue from domestic sale of products and services divided by total revenue from sale of products and services. Percentage of revenue (%) from exports is calculated as revenue from exports sale of products and services divided by total revenue from sale of products and services.*

In case of listed peers, the information for the Fiscal Year 2023 and 2022 has been considered as per the comparative figures appearing in the audited financial statements/ results for the Fiscal Year ended 2024 and 2023, respectively.

** The above has been certified by M/s S.K. Naredi & Co., Chartered Accountants, pursuant to a certificate dated September 2, 2024. This certificate has been designated a material document for inspection in connection with the Offer. See “Material Contracts and Documents for Inspection” on page 417.*

10. Weighted average cost of acquisition (“WACA”), Floor Price and Cap Price

(a) *The price per share of our Company based on the primary/ new issue of Equity Shares or convertible securities*

Except as disclosed below, there have been no primary transactions in the last 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

Date of allotment/ transaction	No. of Equity shares	Face value per Equity Share (₹)	Issue/ Transaction price per Equity Share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration *(₹ in million)*
November 9, 2023	7,800,035	10	Nil	Bonus	NA	Nil
November 9, 2023	3,799,954	10	Nil	Bonus	NA	Nil
November 9, 2023	950,000	10	Nil	Bonus	NA	Nil
November 9, 2023	873,000	10	Nil	Bonus	NA	Nil
November 9, 2023	100,000	10	Nil	Bonus	NA	Nil
November 9, 2023	100	10	Nil	Bonus	NA	Nil
November 9, 2023	100	10	Nil	Bonus	NA	Nil
Weighted average cost of acquisition per Equity Share (primary transactions) (₹)						**Nil**

Note*: The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*

(b) *The price per share of our Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)*

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group or the Promoter Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board are a party to the transaction, during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Weighted average cost of acquisition, Floor Price and Cap Price

Category of transactions	Weighted average cost of acquisition* (WACA) (in ₹)	Floor Price (₹ [●]) is 'X' times the WACA#	Cap Price (₹ [●]) is 'X' times the WACA#
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 Red Herring Prospectus, where such issuance is equal to or more than five per cent of the paid up share capital of our 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	[●] times	[●] times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA

* *As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024*
 # To be included upon finalisation of the Price Band and updated in the Prospectus.

11. Justification for Basis of Offer price*

Explanation for Offer Price/Cap Price being [●] times of WACA of primary issuance price/ secondary transaction price of Equity Shares (set out in [●] above) along with our Company's KPIs and financial ratios for the Fiscals 2024, 2023 and 2022.

[●]*

* *To be included upon finalisation of the Price Band and updated in the Prospectus.*

Explanation for Offer Price/Cap Price being [●] time of WACA of primary issuance price/ secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced pricing of the Offer.

[●]*

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

12. 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 BRLM, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the sections titled "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 195, 253 and 305, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "Risk Factors" on page 27 and you may lose all or a part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors,
Kross Limited
M-4, Phase VI,
Adityapur Industrial Area,
Jamshedpur – 832 108,
Jharkhand, India

Dear Sirs/Madams,

Sub: Statement of possible special tax benefits (the "Statement") available to Kross Limited (the "Company"), and its shareholders under Indian laws

1. We M/s. S.K. Naredi & Co., the statutory auditors of the Company hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialled by us for identification purpose ("**Statement**"), provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India i.e.:-

   (i) the Income-tax Act, 1961 (the Act), as amended by the Finance (No. 1) Act, 2024 and the Finance Act (No. 2), 2024 i.e., applicable for the financial year 2024-25 relevant to the assessment year 2025-26, present in force in India.

   (ii) the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / respective State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law"), Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto) as amended by the Finance Act (1 & 2) of 2024 applicable for the Financial Year 2024-25 ("Customs law") and Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2015-20 and Foreign Trade Policy 2023 (FTP) and Handbook of Procedures issued thereof, notifications and circulars, each as amended and presently in force in India.

   The Act, the GST Act, Customs Act, Tariff Act and Foreign Trade (Development and Regulation) Act, 1992 as defined above, are collectively referred to as the "Relevant Acts".

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil. The benefits discussed in the enclosed Statement are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. Any benefits under the taxation laws other than those specified in **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

4. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

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. We do not express any opinion or provide any assurance as to whether:

   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 views expressed herein.

7. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and based on their understanding of the business activities and operations of the Company.

8. We have conducted our review in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI. We 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.

9. We hereby consent to be named an "expert" under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority in so far as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

10. This certificate is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexures is intended solely for your information and for inclusion in the Red Herring Prospectus and any other material to be filed Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Jharkhand at Ranchi where applicable, in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

M/s. S. K. Naredi & Co.
Chartered Accountants
Firm Registration Number: 003333C

Name: Rahul Naredi
Designation: Partner
Membership No.: 302632

UDIN: 24302632BKBXTQ5462

Place: Jamshedpur
Date: August 20, 2024

Encl: Annexure A

ANNEXURE A

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INCOME TAX ACT, 1961

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company and its shareholders, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

I. Special Direct tax benefits available to the Company

a. As per section 115BAA of the Income Tax Act 1961, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (22% + Surcharge 10% + Education cess 4%) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e., Assessment Year 2020-21). Such an option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

   The Amendment Act, 2019 further provided that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("**MAT**") under Section 115JB. The CBDT had further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

   The Company has opted for the beneficial tax rate under section 115BAA of the Act from FY 2019-20 onwards. As the Company has opted for the beneficial tax rate introduced by the ordinance, they are not eligible to avail the exemptions/ incentives as specified under Section 115BAA of the Act.

   Further, the option once exercised by the Company cannot be subsequently withdrawn for the same or any other financial year.

b. Deductions from Gross Total Income

   • Section 80JJAA: Deduction in respect of employment of new employees

   Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

   The deduction u/s 80JJAA of the Act shall be applicable even if the Company avails the benefits of the special rate u/s 115BAA of the Act.

   • Section 80M of the Act: Deduction in respect of inter-corporate dividends

   A new Section 80M had been inserted by the Finance Act, 2020 w.e.f. FY 2020-21 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

   Where the company receives any such dividend during a FY and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said FY, it shall be entitled to the deduction under Section 80M of the Act. The deduction u/s 80M of the Act shall be applicable for the company availing the benefits of the special rate u/s 115BAA of the Act.

c. Direct Tax Vivad Se Vishwas Scheme, 2024 has been proposed in the Finance Act, 2024 for the pending income tax litigation after January 31, 2020 and before July 22, 2024 on fulfillment of certain prescribed conditions as stated in the Act and the same shall come into force on such date as the Central Government may notify in the Official Gazette.

II. Special Indirect tax benefits available to the Company

a) **Benefits of Foreign Trade Agreements under Customs Act, 1962:** A free trade agreement is a pact between two or more nations to reduce barriers to imports and exports among them. Under a free trade policy, goods and services can be bought and sold across international borders with little or no government tariffs, quotas, subsidies, or prohibitions to inhibit their exchange subject to fulfillment of certain conditions and compliances. The Company avails benefit of concessional rate of duty at the time of import of goods from Japan and South Korea under respective Foreign Trade Agreements, as applicable, on specified imported goods.

b) **Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:** As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. The Company avails duty drawback benefit equal to or less than the duty paid, as applicable, on imported material when it undertakes export of goods.

c) **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20 as amended):** The Company is availing benefit under the export promotion capital goods scheme vide which it is eligible to undertake duty free import of capital goods which are used in manufacturing of goods which are exported out of India. Consequent to this, the Company is under obligation to undertake the export of goods within a prescribed time period.

d) **Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20 as amended):** The Government of India by making amendment in the Foreign Trade Policy 2015-20 vide DGFT Notification No. 19/2015-20 dated 17.08.2021 introduced this scheme which provides rebate of all hidden Central, State, and Local duties/taxes/levies on the exported goods including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product, which have not been refunded under any other existing scheme. The Company avails RoDTEP benefit as notified, on exported products.

e) Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder): Under the GST regime, supplies of goods or services which qualify as 'export' of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax ("IGST") subject to fulfilment of conditions prescribed. The exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

f) A new section 128A is inserted in CGST Act, 2017 to provide for conditional waiver of interest and/or penalty in respect of demand / notices or both issued under section 73 of CGST Act for the Financial Years 2017-18, 2018-19, 2019-20 if full tax liability is paid before a date to be notified later. However, this benefit shall not be applicable in respect of any amount payable by the person on account of erroneous refund. Further, in cases where interest and penalties have already been paid in respect of any demand for the said financial years, no refund shall be admissible for the same.

g) **Benefits under Industrial and Business Development Policy, 2021:** Under the policy, various fiscal incentives are offered in case of setting up a new unit or substantial expansion in an existing unit subject to fulfillment of certain conditions. The Company can avail various incentives such as GST reimbursement, employment subsidy etc. as applicable under the captioned policy with respect to new manufacturing unit set up in Jharkhand.

III. Special Direct Tax benefits available to the Shareholders of the Company

a) Cost of acquisition in case of equity shares sold OFS as part of IPO process

Section 10(38) provided an exemption for long-term capital gains on equity shares, units of equity-oriented funds, or units of business trusts if the transaction was subject to Securities Transaction Tax (STT). The Finance Act 2018 withdrew this exemption and introduce Section 112A to tax long-term capital gains on such assets, provided STT was paid both at acquisition and transfer.

The cost of acquisition of such shares u/s 55(2)(ac) is the higher of:

(a) Actual cost of acquisition

(b) lower of: Fair Market Value (FMV) of shares as of 31st January 2018; and Full value of Consideration received upon sale.

For equity shares not listed on 31.01.2018 but listed on the date of transfer, the FMV is calculated proportionally based on the Cost Inflation Index for the financial year 2017-18.

The introduction of Section 112A(4) relaxed the requirement of STT payment at acquisition for certain transactions, leading to a lacuna in calculating the cost of acquisition for shares acquired through Offer-for-Sale (OFS) during an Initial Public Offering (IPO), where STT is paid at transfer but shares are unlisted at that time.

Now, it is amended the Explanation to Section 55(2)(ac) to clarify that for unlisted equity shares sold under an OFS included in an IPO, the FMV for shares that were unlisted on 31.01.2018, but listed on the transfer date, should be determined using the same proportionate method based on the Cost Inflation Index for the relevant years.

b) Tax on Capital Gains arising out of sale of equity shares which are held for a period more than twelve (12) / twenty-four (24) months will be charged at flat rate of 12.50% with effect from 23rd July, 2024.

c) No interest on deferment of advance tax instalment with respect to dividend income

The Finance Act 2020 amended the manner of taxation of dividend income by abolishing dividend distribution tax and restoring classical system of dividend taxation (i.e. taxation of dividend income in the hands of the shareholders). Considering the nature of income, it is not possible for taxpayer to accurately determine the advance tax liability on dividend income and therefore, the proviso to section 234C(1) of the Act provides that no interest shall be levied under section 234C of the Act, if the shortfall in payment of advance tax instalment is on account of underestimation or failure to estimate dividend. The amendment was introduced by the Finance Act 2021 and is applicable from 1 April 2021.

d) Surcharge on personal income capped at 25% for individuals opting concessional tax regime under section 115BAC

The Finance Act 2023 has capped surcharge on total income of individual assesses opting for concessional tax regime under section 115BAC to 25% (instead of earlier surcharge of 37% for individuals having total income exceeding) Rs. 5 crore.

e) The Finance Act 2024, has capped surcharge on dividend income and capital gains U/s 111A, 112 & 112A will be restricted to 15% only

f) Amendment in second proviso to section 48, indexation of cost removed for calculation of long-term capital gains which is presently available for other unlisted assets w.e.f. July 23, 2024.

IV. Special Indirect tax benefits available to the Shareholders

There is no special Indirect tax benefit available to the Shareholders.

Notes:

i. The above Statement of Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the tax laws mentioned above.

ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.

iii. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

iv. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

For Kross Limited

Sudhir Rai
Chairman and Managing Director
DIN - 00512423

Place: Jamshedpur
Date: August 20, 2024

SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Global and Indian macroeconomic scenario

Global economic scenario

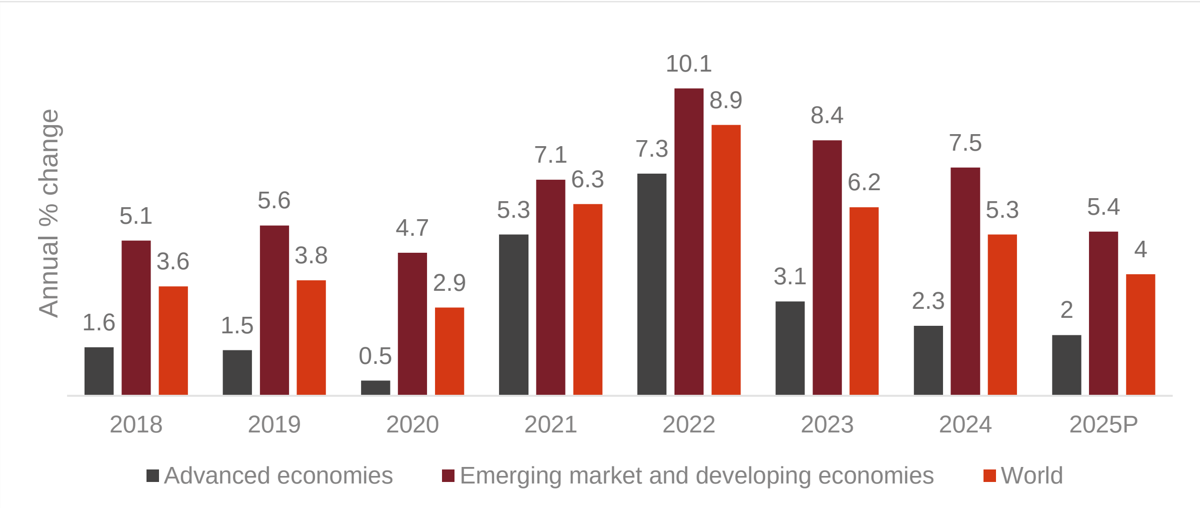
Review and outlook of economic growth and inflation in key countries

The global economy continues to recover from challenges heaped by the Covid-19 pandemic, geopolitical uncertainties in Europe and the Middle East, and considerable tightening of global monetary conditions to address elevated inflation. In fact, a return to the pre-pandemic growth rate was challenging, particularly in the case of emerging and developing economies, owing to the convergence of factors such as long-term fallout of the pandemic and increasing geoeconomic fragmentation. Other issues include elevated central bank policy rates in several emerging and developed economies to control inflation and withdrawal of fiscal support amid high debt levels, and extreme weather events.
Despite these challenges, the Indian economy saw strong growth momentum, with a major push fueled by investments and sectors such as information technology, services, agriculture and manufacturing.

Global inflation and growth trajectory

As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments – including greater-than-expected government spending and household consumption—and a supply-side expansion amid, notably, an unanticipated boost to labor force participation. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic. As inflation converges toward target levels and central banks pivot toward policy easing in many economies, a tightening of fiscal policies aimed at curbing high government debt, with higher taxes and lower government spending, is expected to weigh on growth.

Figure 1: Trend in inflation based on the consumer price index



E: P: Projected
Advanced economies - US, Japan, Euro area; Emerging market and developing economies - China, India, Russia, Brazil, Mexico, and South Africa
Source: IMF (World Economic Outlook - April 2024 update), CRISIL MI&A CONSULTING

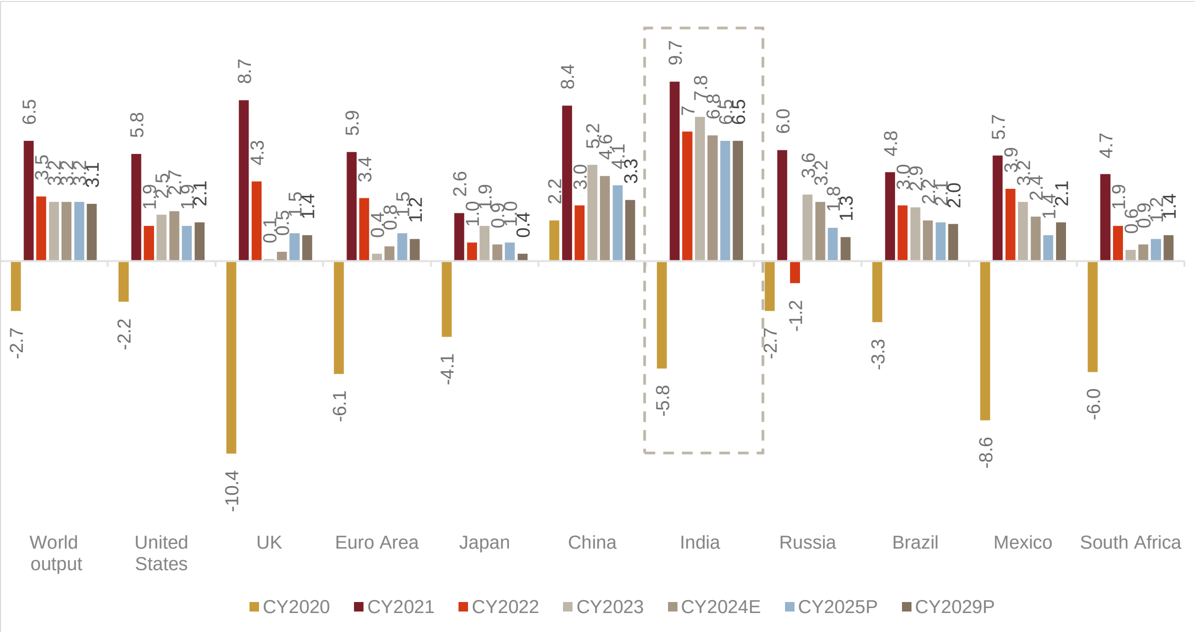
Growth in emerging and developing countries of Asia is expected to decline from an estimated 5.6% in CY2023 to 5.2% in CY2024. Growth in China is projected at 4.6% in CY2024 due to carryover from stronger than expected growth of 5.2% in CY2023 and increased government spending on capacity building against natural disasters. India is the fifth largest economy and among the fastest growing major economies. Growth in India is projected to remain strong at 6.8% in CY2024 and 6.5% for CY2025 with the strong growth led by continuing strength in domestic demand and a rising working age population.

Meanwhile, the global headline inflation is expected to fall from an average of 6.8% in CY2023 to 5.9% in CY2024 mainly due to expected decline in inflation in advanced economies by 2% in CY 2024.The fall in global inflation in CY2024 reflects a broad-based decline in global core inflation (all item except food and energy).

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.

In emerging market and developing economies, growth is expected to be stable at 4.2 percent in 2024 and 2025, with a moderation in emerging and developing Asia offset mainly by rising growth for economies in the Middle East and Central Asia and for sub-Saharan Africa. Low-income developing countries are expected to experience gradually increasing growth, from 4.0 percent in 2023 to 4.7 percent in 2024 and 5.2 percent in 2025, as some constraints on near-term growth ease.

Figure 2: IMF GDP projection for key economies

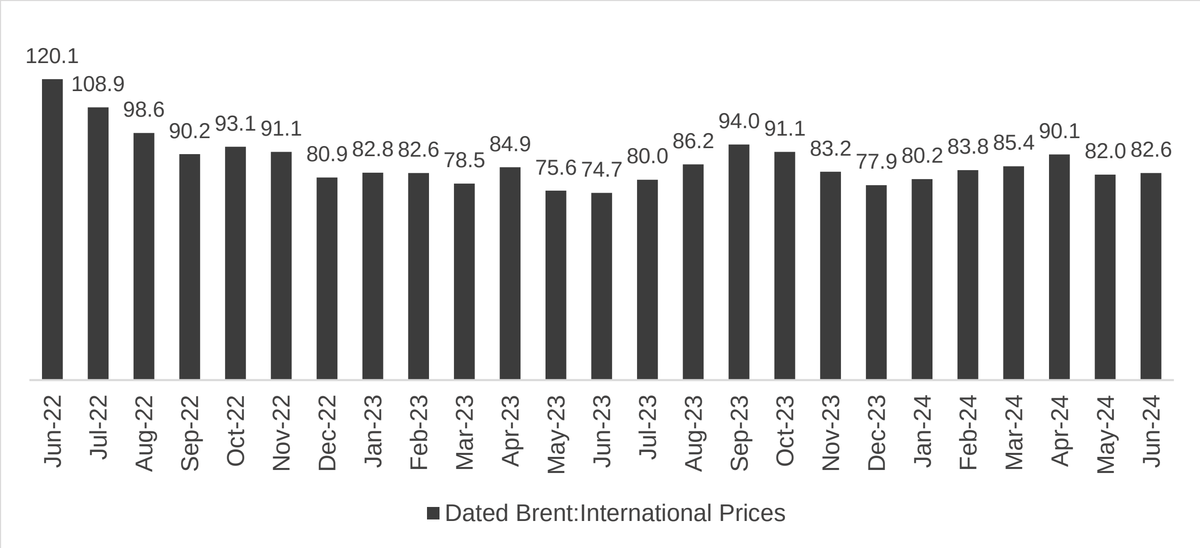


Note: Euro area comprises 19 member countries of the European Union (EU); years mentioned in the graph are calendar years.
Source: IMF (WEO – April 2024 update), CRISIL MI&A Consulting

Brent crude gains ground

In 2023, Crude oil prices witnessed a steady decline of 18% on-year supported by easing of geopolitical tensions coupled with recessionary pressures globally. In H1 2023 crude oil prices averaged $80 per barrel resulting in a decline of ~25% on-year owing to deterioration in economic conditions globally such as banking crises in US and lower than anticipated Chinese demand revival

Figure 2: Brent crude price trend ($/barrel)



Note: Dated Brent price is the price of physically delivered crude oil in the North Sea that has specific delivery date
Source: Industry, CRISIL MI&A Consulting

Global trade environment stabilises

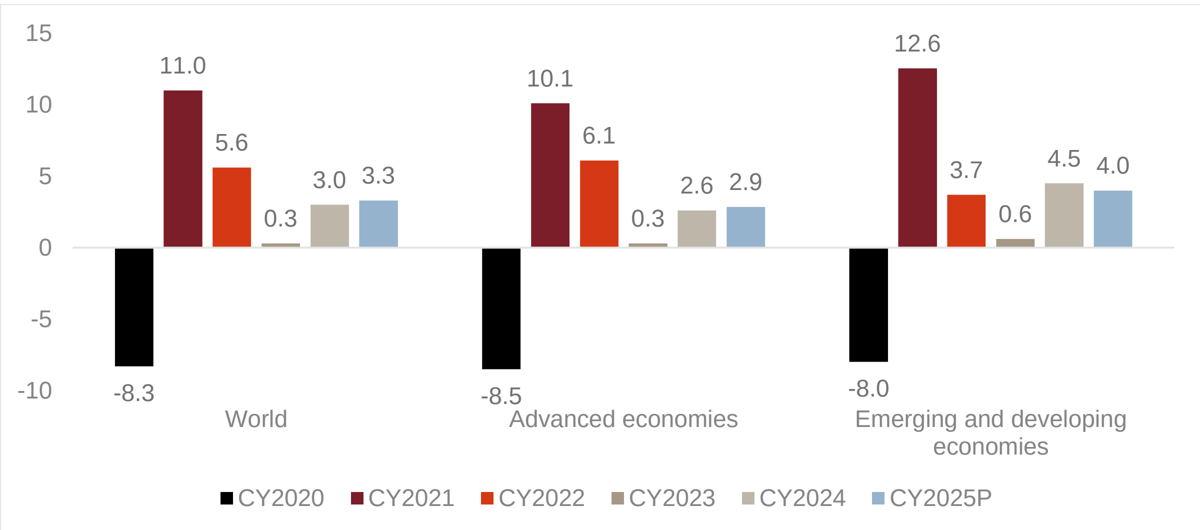
The value of global merchandise trade has continuously declined since mid-2022. The decline in 2023 was primarily because of lower demand in developed countries and subdued trade in East Asia and Latin America. Lower commodity prices further contributed to lowering the value of international trade during the year.

In contrast, trade in services has sustained growth throughout most of the period. Among services, tourism and travel related services rebounded strongly.

In volume terms, trade was modest through 2023. The slightly positive trend in the volume suggests resilient global demand for imported products. A weak US dollar also supported global trade volume in 2023.

However, on-quarter merchandise as well as services trade have stabilized. In 2024, global trade is projected to grow 3.3% on account of overall moderating global inflation and sustained growth of economies. That said, persistent geopolitical uncertainties and rising shipping costs, and high levels of debt weighing on economic activity in many countries may negatively impact further improvement in global trade.

Figure 4: IMF estimates of world trade growth



Advanced economies – US, Japan, Euro area; emerging market and developing economies – China, India, Russia, Brazil, Mexico, South Africa

Note: Average annual % change of export and import trade in goods and services has been considered
Source: IMF (World Economic Outlook – April 2024 update), CRISIL MI&A Consulting

Indian economic scenario

Review and outlook of gross domestic product (GDP)

India ranks as the world's 5th largest economy and is the fastest growing among major economies. The Indian economy logged 4.4% CAGR between fiscals 2019 and 2024. 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).

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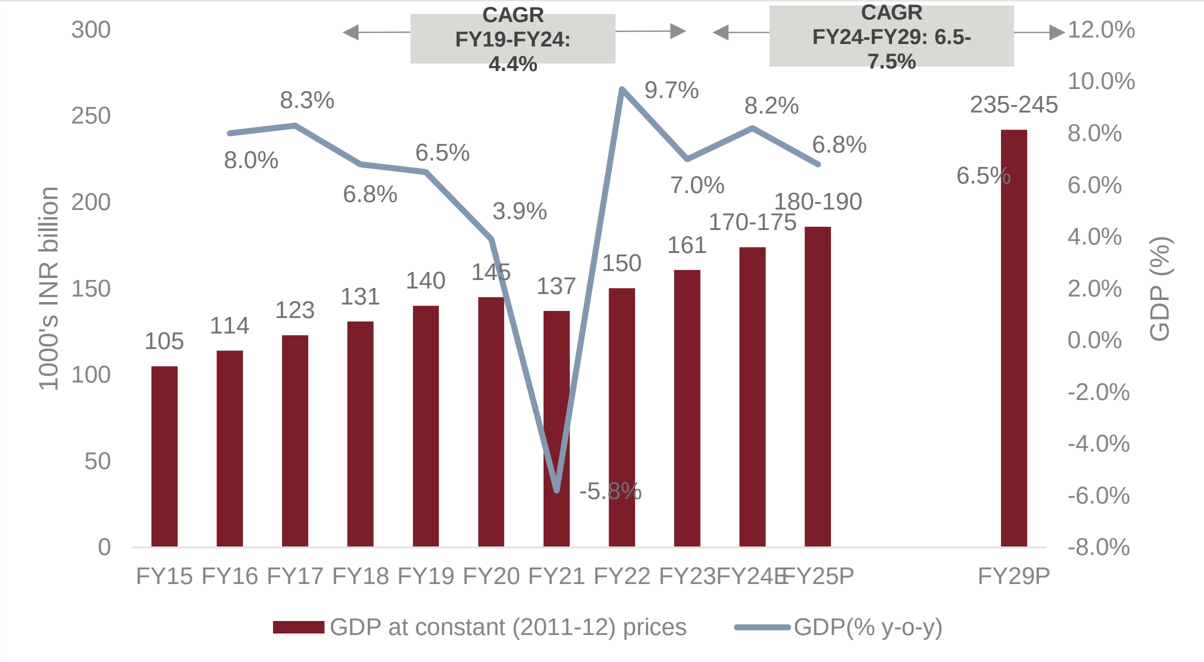
As lockdowns were gradually lifted, economic activity revived in the second half of fiscal 2021. After a steep contraction in the first half, owing to rising number of Covid-19 cases, GDP- gross domestic product moved into positive territory towards the end of fiscal 2021. Subsequently, in fiscal 2022, India's real GDP grew 9.7% from the low base of fiscal 2021.

India's GDP exceeded expectations during all four quarters of fiscal 2024 however growth slowed but stayed strong in fourth quarter. According to the National Statistics Office (NSO), provisional estimates (PE), GDP growth slowed to 7.8% on-year in the fourth quarter of last fiscal from 8.6% of third quarter but was higher than 6.1% in the year-ago quarter, real GDP growth for third quarter is revised from 8.4% in second advance estimate of NSO to 8.6% on-year . Growth of the past two quarters were kept same in provisional estimate i.e. 8.1% in second quarter and 8.2% in first quarter of the fiscal 2024. . Fourth quarter growth was much stronger than 5.9% factored in in the second advance estimates (SAE) of the National Statistics Office (NSO) in February. This prompted the NSO to revise up the fiscal 2024 GDP growth estimate to 8.2% (which is the provisional estimate), from 7.6% in the SAE. Additionally, the estimate for fiscal 2023 was to 7.0%, while for fiscal 2022 it was 9.7%.

Growth surpassed forecasts in the fiscal 2024, driven by strong government spending and a sharp rise in manufacturing and construction growth. Globally, growth in major economies such as the US and China beat estimates and has contributed to better export earnings for India.

Figure 3: India's GDP growth trend and outlook



Note: P – projected
Source: National Statistical Office (NSO), International Monetary Fund (IMF), CRISIL MI&A Consulting estimates

In the third quarter of fiscal 24, fixed investments posted year-on-year growth of 10.6% while private consumption (3.5%), despite a modest uptick, remained sluggish. The drag from net exports eased in the third quarter. From the supply side, growth was highest for manufacturing (11.6%), followed by construction (9.5%) and services (7.0%), while growth in agriculture contracted in the third quarter (-0.8%).

On the supply side, GVA growth moderated to 6.3% in Q4 from 6.8% in the previous quarter. It remained much lower than the GDP growth as net taxes grew 22.2% on-year during the quarter after a 31.2% growth previous quarter.

While GVA growth for agriculture picked up (0.6% in Q4 vs 0.4% previous quarter), it slowed for industry (8.4% vs 10.5%) and services (6.7% vs 7.1%). The subdued growth in agriculture and allied activities reflects lower crop output this year. According to the SAE, total food production will be 1.3% lower on-year - kharif 1.0% lower and rabi 1.7%.

Within industry, manufacturing growth moderated to 8.9% in the quarter from 11.5% in the previous quarter. Infrastructure and investment-related sectors, which had contributed to the strong growth in the first half of the fiscal, slowed in the second half, according to the granular data from the Index of Industrial Production (IIP). The benefit from falling input costs is also fading, as the decline in commodity prices halted.

Construction GVA growth, though moderation, was a healthy 8.7% (vs 9.6%). Moderating government capital expenditure (capex) towards the end of the fiscal may have weighed on the construction growth. However, a slowdown was seen in electricity (7.7% vs 9.0%) and mining (4.3% vs 7.5%).

Services growth moderated (6.7% vs 7.1% in the previous quarter), primarily driven by contact-based services, namely trade, hotels, transport and communication services (THTC services). THTC growth moderated to 5.1% from 6.9%, reflecting fading pent-up demand post the pandemic. Financial, real estate and professional services rose to 7.6% from 7.0%, driven by a healthy banking sector and robust real estate. Public administration, defence and other services grew 7.8% vs 7.5%.

Investments - the key driver of domestic demand this fiscal - moderated in Q4 for the second consecutive quarter. Private consumption remained steady, after rising in the previous quarter. Fixed investment slowed as measured by gross fixed capital formation (GFCF; 6.5% vs 9.7%). Slower government infrastructure spending may have dragged investment growth, with both central and state capex data showing an on-year slowdown in the fourth quarter.

Private final consumption expenditure (PFCE) stayed steady in the fourth quarter at 4.0% on-year (previous quarter print revised up to 4% from 3.5%).

Exports support growth: Exports of goods and services picked up sharply to 8.1% on-year growth in Q4 from 3.4% in the preceding one. Merchandise exports growth saw a significant rise (5.2% vs 1.1%) offsetting the slowdown in services exports (4.3% vs 5.5%).

The growth moderation in the fourth quarter was driven by fixed investment measured by gross fixed capital formation 6.5% on-year vs 9.7% in the previous quarter. Private consumption stayed steady at 4.0%, trailing overall GDP growth, but improved its performance in the second half of the fiscal. Net exports also impacted GDP growth positively in the fourth quarter, driven by pick up in export growth (8.1%) and moderation in import growth (8.3%). From the supply side, the industrial (8.4%) and services (6.7%) sectors saw a moderation, while the agriculture and allied sector (0.6%) inched up slightly.

India to remain a growth outperformer globally

Despite slowdown in the near term, India's growth is expected to outperform over the medium run. CRISIL MI&A expects GDP growth to average 6.8% between fiscals 2025 and 2029, compared with 3.2% globally as estimated by the IMF. India's economic outlook remains positive, supported by structural reforms aimed at positioning it as one of the fastest-growing major economies. According to Finance Ministry, India is expected to become the 3rd largest economy in the world with a GDP of USD 5 trillion by fiscal 2028.

Drivers for India's economic growth

- Capital will continue to be the biggest contributor to growth. As the government pursues fiscal consolidation, its role in boosting overall capex will partly diminish compared with the past few years. Nevertheless, it is expected that private sector will gradually play a larger role than in the recent past.

- Strong domestic demand is expected to drive India's growth over peers in the medium term.

- 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).

- 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.

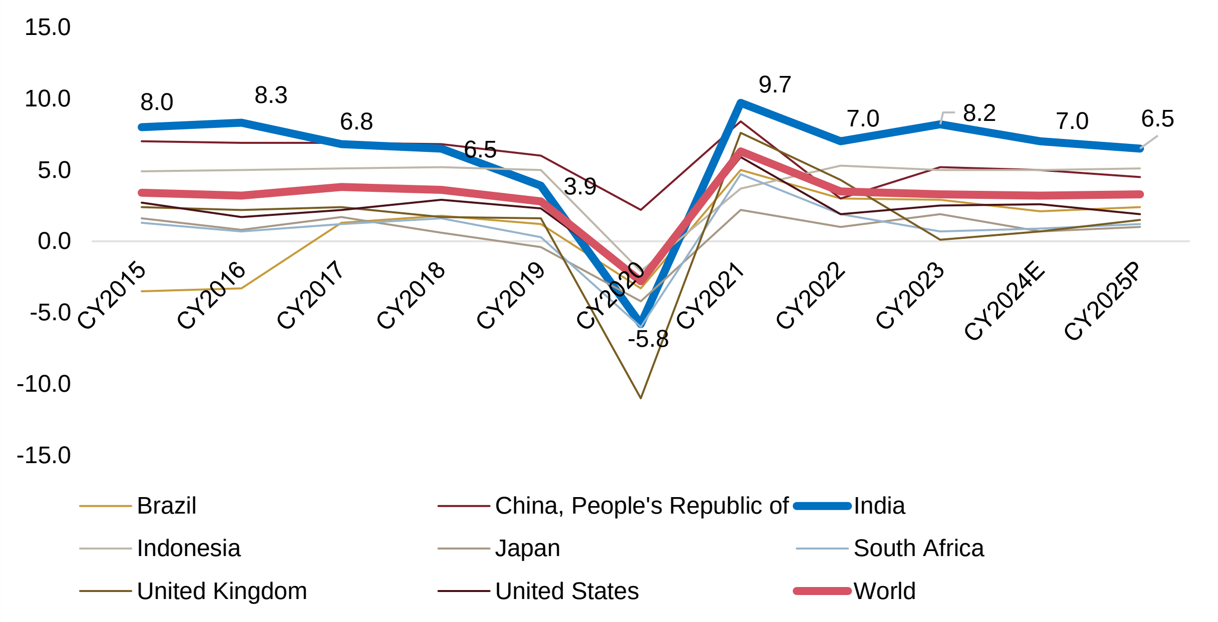
- Rising employment rates and a notable increase in private consumption, buoyed by growing consumer confidence, are poised to drive GDP growth in the upcoming months.

- 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.

- The Budget 2024 has also tried to incentivise employment generation in the economy, which should over time spur consumption demand and act like an indirect support to push up private investments.

Figure 6: India is one of the fastest-growing emerging economies (GDP growth, % on-year)



E: estimated; P: projected
Note: GDP growth based on constant prices
Source: IMF (World Economic Outlook – July 2024 update), CRISIL MI&A

Factors that will shape growth in fiscal 2025

Investment support maintained by central government in budget announcement of 2024-25

The central government has continued to maintain its focus on capital expenditure, whose share in the total expenditure mix is budgeted to rise further this fiscal (see chart below). Capital expenditure for fiscal 2025 budgeted at Rs 11.1 lakh crore, up 17.1% from Rs 9.5 lakh crore in fiscal 2024. At the same time, grants-in-aid for creation of capital assets are also budgeted to increase substantially to Rs 3.90 lakh crore, from Rs 3.03. Lakh crore in fiscal 2024. Together, this means effective capital expenditure through the budget rises to Rs 15.0 lakh crore, from Rs 12.5 lakh crore (up 19.9%).

The top 10 ministries/departments which account for almost 98% of the budgetary capex of Rs 11.1 lakh crore this fiscal of which Ministry of Road Transport and Highways continued to get the highest capex allocation in the budget (24.5% of total budgetary capex), followed by Railways (22.7% share), Ministry of Finance (21.1% share), Ministry of Defence (15.5% share) and Ministry of Communications (7.7% share). These five ministries together get a commanding 91.4% share of the total budgetary capex.

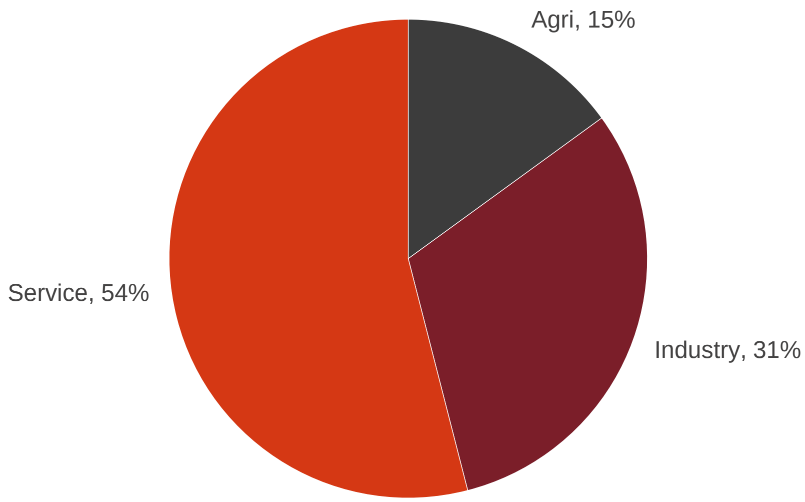
Apart from supporting investments in the economy through its own infrastructure spending programmes, the budget has also been trying to incentivise private sector investments in several sectors through the PLI scheme.

Allocation of incentives under PLI schemes is up 74% in fiscal 2025BE, reflecting robust policy support and widespread industry uptake. These schemes are part of the government's strategy to enhance manufacturing value chains to reduce the country's import dependence and improve the competitiveness of the domestic industries, which, in turn, will support exports. The schemes aim to transform the domestic manufacturing landscape by offering incentives worth Rs 1.97 lakh crore, targeting a capital expenditure of Rs 3.00-3.25 lakh crore over the medium term.

Government policies to boost manufacturing in India

India’s economic output is mainly driven by the high-productivity services sector, which contributes to 54% of the economic output. Industry accounts for a distant second at 31%, of which, manufacturing accounts for nearly 60%. Growth in manufacturing can not only increase jobs in the sector, but also reduce forex outgo on imported goods. Hence, the government has introduced several incentives to boost the manufacturing sector in India.

Figure 4: Sectoral GDP share (FY24)



Source: CRISIL MI&A CONSULTING

Infrastructure and power sector will drive infrastructure capex

In the past four years, capex in the country was driven by the household sector and the infrastructure buildout bankrolled by the central and state governments. Going ahead, the industrial sectors are expected to pick up pace, with investments flowing towards both conventional and emerging sectors. Parallelly, infrastructure capex will maintain its momentum.

Table 1: Infrastructure and industrial investment growth – review and outlook

Sector	FY24 (Rs lakh crore)	FY25P	FY19-23 (Rs lakh crore)	FY24-28P (Rs lakh crore)	FY24-28P CAGR	FY24-28P to FY19-23 ratio
Industrial	5.4	17-19%	19.6	31-33	8-10%	1.7x
Infrastructure	14.0	14-16%	45.5	85-88	10-12%	1.9x
Roads	3.8	11-13%	13.3	24	11-13%	1.8x
Power	2.9	35-40%	10.8	22	13-15%	2.0x
Railways	2.9	7-9%	8.8	17	8-10%	1.9x
Urban infra	2.4	3-5%	5.7	13	8-10%	2.2x
Other infra	2.0	8-10%	6.9	12	9-11%	1.7x

Note: P - Projected
Source: CRISIL MI&A CONSULTING

Overall industrial capex grew ~9% on average between fiscals 2019 and 2023, with the past two fiscals outperforming. In absolute terms, industrial capex averaged Rs 3.9 lakh crore per annum in the period. It will likely rise to ~Rs 6.5 lakh crore on average between fiscals 2024 and 2028, marking an increase of ~1.7x on an annual basis. Growth would be driven by higher capacity utilisation, strong investment intent in emerging sectors and PLI scheme implementation over the next 3-4 fiscals.

PLI scheme to drive 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 labor-intensive. It will be implemented over fiscals 2024 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.

Table 2: Budgeted incentives for different sectors under the PLI scheme

<table>
<tr><th>Sector</th><th>Segment</th><th colspan="2">Budgeted (INR bn) *</th></tr>
<tr><td rowspan="2">Automobile</td><td>Advance chemistry cell (ACC) battery</td><td>181.0</td><td rowspan="2">751.4</td></tr>
<tr><td>Automobiles and auto components</td><td>570.4</td></tr>
<tr><td rowspan="3">Electronics</td><td>Mobile manufacturing and specified electronic components</td><td>409.5</td><td rowspan="3">545.2</td></tr>
<tr><td>Electronic/technology products/IT hardware</td><td>73.25</td></tr>
<tr><td>White goods (ACE and LED)</td><td>62.4</td></tr>
<tr><td rowspan="3">Pharma and medical equipment</td><td>Critical key starting materials/drug intermediaries and active pharmaceutical ingredients</td><td>69.4</td><td rowspan="3">253.6</td></tr>
<tr><td>Manufacturing of medical devices</td><td>34.2</td></tr>
<tr><td>Pharmaceutical drugs</td><td>150.0</td></tr>
<tr><td>Telecom</td><td>Telecom and networking products</td><td>122.0</td><td>122.0</td></tr>
<tr><td>Food</td><td>Food products</td><td>109.0</td><td>109.0</td></tr>
<tr><td>Textile</td><td>Textile products: man-made fibre (MMF) and technical textiles</td><td>106.8</td><td>106.8</td></tr>
<tr><td>Steel</td><td>Specialty steel</td><td>63.2</td><td>63.2</td></tr>
<tr><td>Energy</td><td>High-efficiency solar PV modules</td><td>240.0</td><td>240</td></tr>
<tr><td>Aviation</td><td>Drones and drone components</td><td>1.2</td><td>1.2</td></tr>
<tr><td>Total</td><td colspan="2"></td><td>2,192</td></tr>
</table>

**Note: Approved financial outlay over a five-year period*
ACE: Appliance and consumer electronics; LED: Light-emitting diode
Source: Government websites, CRISIL MI&A

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.

The PLI scheme for auto parts includes the following component schemes:

- Champion 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 on technical developments

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, defense 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 USD70.97 billion. According to Ministry of Commerce & 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: USD 298 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 defense 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.

Decoupling of global supply chains

As traditional supply chains are threatened by large scale global events, rising trends 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 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. Realizing this opportunity, the government has introduced many reforms and incentive schemes to increase domestic manufacturing and attract global manufacturing firms to India.

Atmanirbhar Bharat

Atmanirbhar Bharat Abhiyan or the self-reliant India campaign was launched in May 2020 amid the Covid-19 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.

Per capita income

Per capita income (per capita net national income) is estimated to have grown 6.8% in fiscal 2024 vs 5.7% in fiscal 2023. This is in contrast to fiscal 2021, wherein per capita income declined 8.9%, owing to GDP contraction amid the pandemic's impact. In fiscal 2022, per capita income rose 7.6% on a lower base of fiscal 2021.

According to the IMF's estimates, India's per capita income (at current prices) is expected to grow at 8.8% CAGR over 2023 to 2028.

Rising income levels signify economic growth, urbanisation and changing lifestyles. As per capita income increases so does the demand for cars in India increases. As per data from World Road Statistics 2023-International Road Federation, in fiscal 2022, there were 24 cars per 1,000 people in India and the per capita income was $2,390. In the case of China, cars per 1,000 people was 183 in in 2021 and the per capita was $11,930.

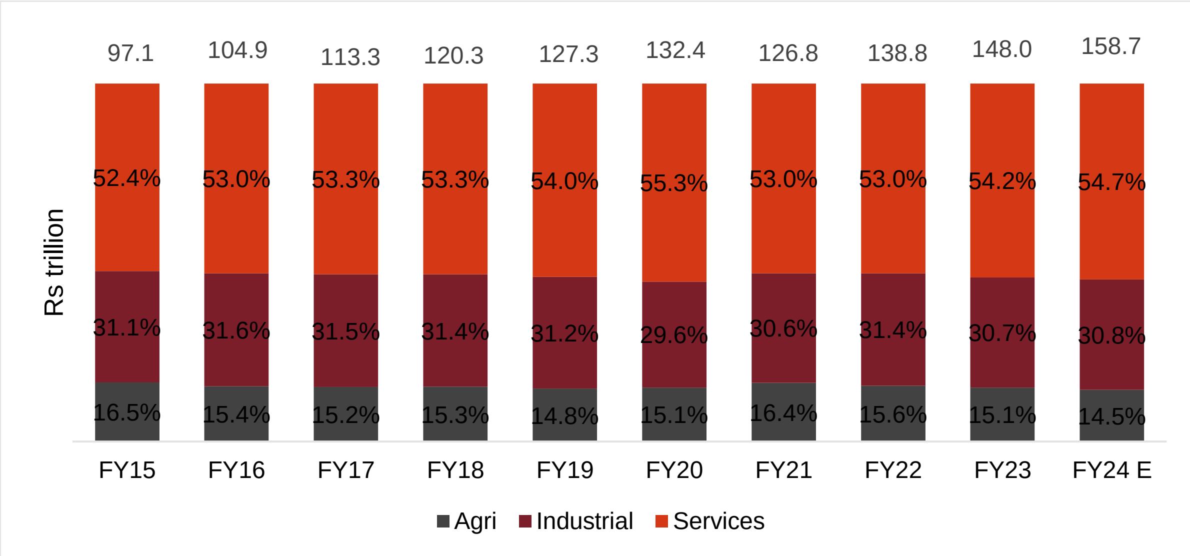
Near term outlook on agriculture, industrial and services GDP

In fiscal 2021, the agriculture sector's share in Gross Value Added (GVA) at constant prices expanded, while the share of the services and industrial sectors contracted.

In fiscal 2022, agriculture GVA grew at a rate of 3.5% and the industrial sector grew by 12% on a low base of fiscal 2021. Whereas the service sector grew by 8.8% year-on-year. This helped GDP to grow by 9.1%

Agriculture GVA continued to grow at a steady 4.0% in fiscal 2023. Faster GDP growth in fiscal 2023 saw the share of agriculture increase in the fiscal. The share of industrial sector in GDP grew 4% in fiscal 2023, mainly due to utility services with 8% growth, which was higher than all other industrial sectors. Mining grew by 5%, while manufacturing and construction added marginal growth momentum from a high base of fiscal 2022. The high base of fiscal 2022 led to moderate growth of the industrial sector in fiscal 2023. The services sector grew 9% in fiscal 2023. Trade, hotels, transport, and communication services (THTC) saw strong year-on-year growth of 14% in fiscal 2023.

Figure 5: Share of sectors in GVA at constant prices



E – estimated
Source: RBI; CRISIL MI&A Consulting

The Agri sector witnessed a growth of 1.4% on-year in fiscal 2024, thereby contributing to 14.5% of the GVA.

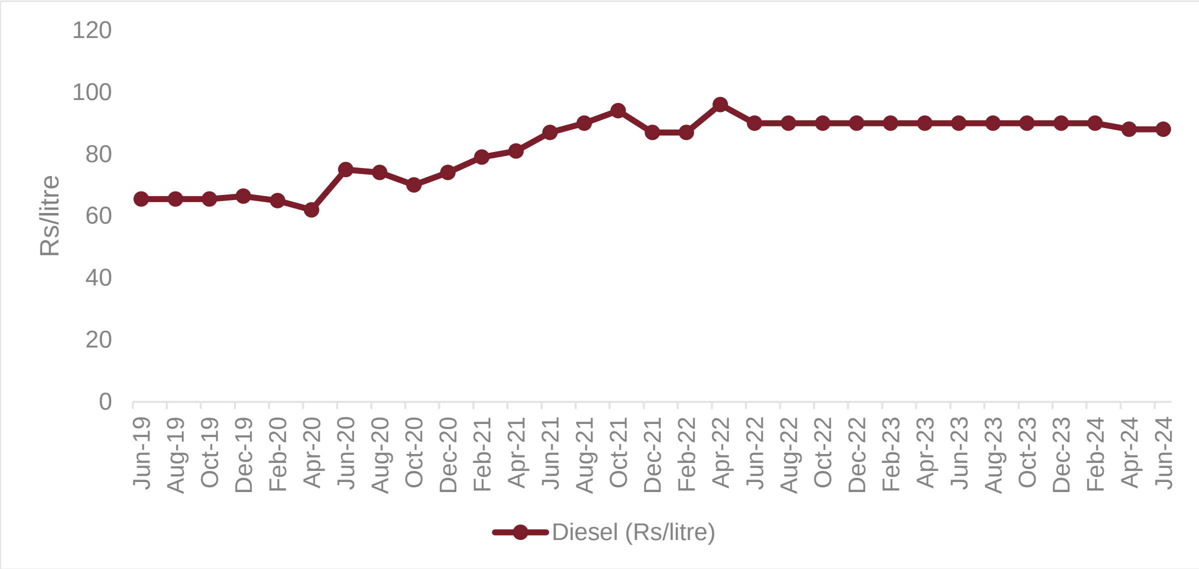
Infrastructure and construction goods growth slowed down

The Index of Industrial Production (IIP) increased to 5.9% on-year in May, up from 5.0% in April. The pick-up was mainly driven by a higher manufacturing and electricity output growth, while output growth in mining slowed marginally.

IIP growth increased to 5.9% on-year in May from 5.0% in April. Sequentially too, the index rose 1.4% on-month after seasonal adjustments. The pick-up was driven by electricity (13.7% on-year versus 10.2%) and manufacturing (4.6% vs 3.9%), while growth in mining (6.6% vs 6.8%) slowed down marginally. The uptick in manufacturing growth was driven by consumer durables (12.3% vs 10.0%), primary goods (7.3% vs 7.0%) and consumer non-durables (2.3% vs- 2.5%). On the other hand, growth in infrastructure and construction goods (6.9% vs 8.0%), capital goods (2.5% vs 2.7%) and intermediate goods (2.5% vs 3.2%) slowed.

Diesel prices

Figure 9: Diesel prices in Delhi (June 2019 to June 2024)

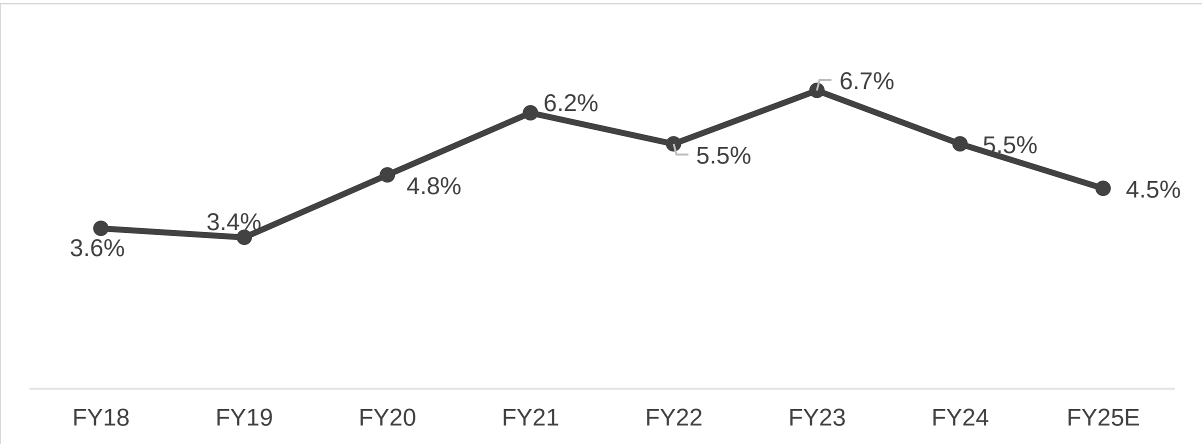


Source: RBI, CRISIL MI&A CONSULTING

Central Government reduced Central Excise duty by a total of Rs. 13/litre and Rs. 16/litre on petrol and diesel respectively in two tranches in November 2021 and May 2022, which was fully passed on to consumers. Some State Governments also reduced state VAT rates to provide relief to citizens. In March 2024, OMCs also reduced the retail prices of petrol and diesel by Rs. 2 per litre each and the current RSP of petrol and diesel at Delhi is Rs. 94.72 and Rs. 87.62 per litre respectively.

CRISIL MI&A expects CPI inflation to average 4.5% in fiscal 2025 against 5.5% in fiscal 2024. Cooling domestic demand, assumption of a normal monsoon along with a high base for food inflation should help moderate inflation fiscal 2025.

Figure 12: CPI inflation trend



Note: E- Estimated
Source: Ministry of Statistics and Programme Implementation (MOSPI), CRISIL MI&A Consulting

Rising demand for underlying assets to back disbursement growth

Auto finance disbursements had taken a hit in fiscal 2021 and remained muted for some segments in fiscal 2022 as well, due to the stress induced by the two Covid-19 waves. Disbursements are expected to pick up in fiscal 2024 supported by the revival in underlying sales, continued rise in vehicle prices along with a healthy offtake from the domestic front and the easing of chip shortage, which will ensure the industry clocking healthy disbursement growth.

On the asset front, CRISIL expects vehicle sales to recover for all segments in this fiscal, given the normalising economy, and replacement and pent-up demand driving volume growth.

In the case CVs, we expect demand to pick up with recovery in economic activity, driving utilisation rates. Replacement demand is likely to be positive in this fiscal since some replacement sales expected in fiscals 2020 and 2021, would have got deferred.

Table 3: Annual growth in auto finance disbursement (%, y-o-y)

Segment	FY21	FY22	FY23	FY24E
Commercial vehicle - new	-6%	46%	24%	12-14%
Commercial vehicle - used	0%	11%	10%	11-13%
Tractor	22%	2%	15%	4-6%

Source: Industry, CRISIL MI&A CONSULTING

Overall, CRISIL MI&A Consulting expects a pickup in overall vehicle sales and improved loan-to-value (LTV) across segments in this fiscal, resulting in overall disbursements growing 16-18% in fiscal 2024.

CRISIL MI&A Consulting expects the LTV ratio to improve gradually as vehicle sales normalise post the global semiconductor shortage. We also expect NBFCs to maintain their market share vis-à-vis banks in fiscal 2022, after losing 50-100 basis points (bps) to banks in the previous fiscal. Banks will continue their dominance in segments such as PVs and start gaining share in the new CV segment as well.

Review of Indian CV industry

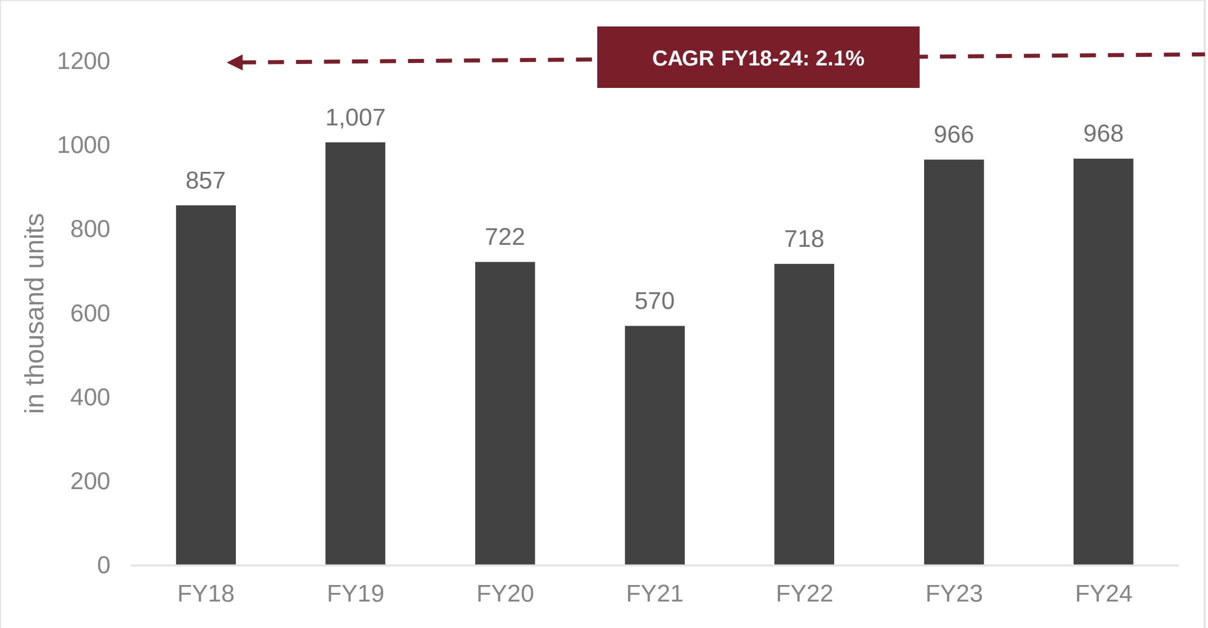
Trend in domestic CV industry

Between fiscals 2018 and 2024, domestic CV sales logged a CAGR of 2.1%. The CV industry exhibited a noteworthy recovery in fiscal year 2023, achieving a remarkable growth rate of 35% over fiscal 2022, 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.

In fiscals 2018 and 2019 witnessed strong recovery as compared to 2016-17 and a healthy 18-20% growth, supported by the government’s focus on road and housing infrastructure development. In fiscal 2020, the industry witnessed a sharp de-growth of 28% on a high base of fiscal 2019, due to inventory adjustment on account of the transition to BS-VI emission norms. In fiscal 2020, demand for buses was impacted due to safety regulations (emergency exit doors, fire detection and suppression, escape hatches and emergency lighting).

The pandemic brought the entire economy to a grinding halt when a nationwide lockdown was declared to contain its spread, thus affecting the profitability and sustainability of transporters due to lack of availability of freight demand. The industry, however, gained momentum afterwards as consumption demand and industry activity started gaining pace.

Figure 64: Review of domestic CV industry (in volume terms of sales)



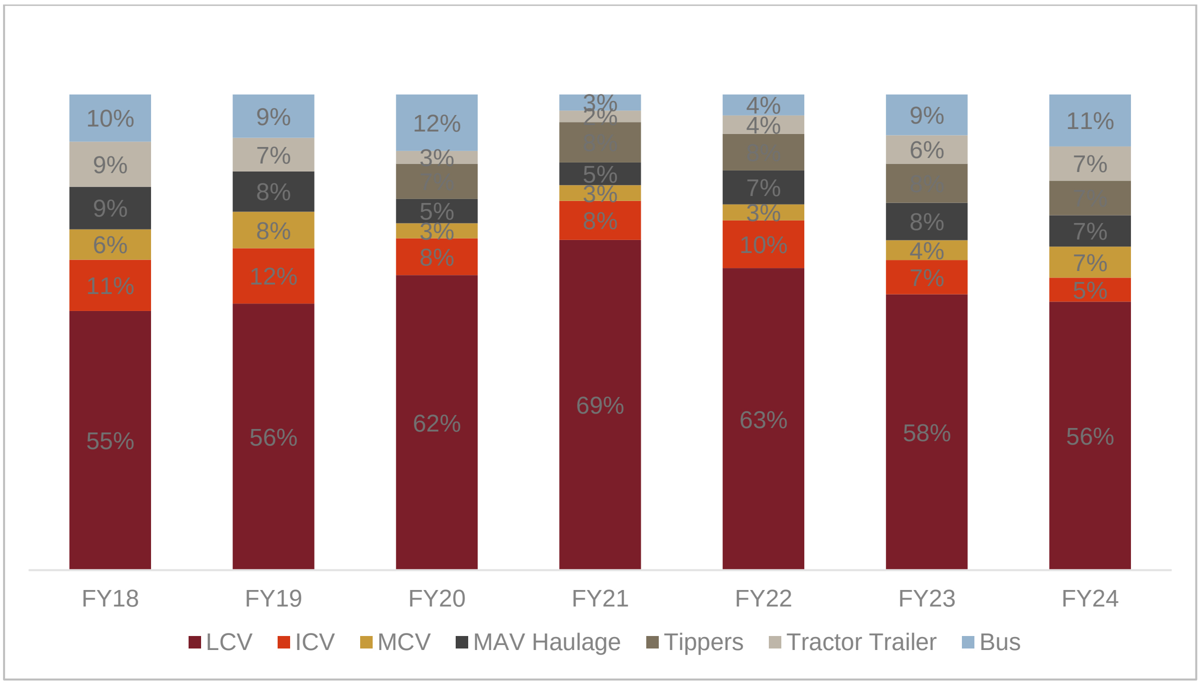
Source: SIAM, CRISIL MI&A Consulting

Segmental trends

The commercial vehicle (CV) sales for fiscal year 2024 witnessed almost flat industry over fiscal 2023. This trajectory is underpinned by increased government spending and replacement demand. In FY2023, the CV industry exhibited remarkable recovery with a growth rate of 34% over fiscal 2022, reaching 96% of pre-pandemic levels.

The Medium and Heavy Commercial Vehicle (MHCV) segment witnessed a stable performance in the fiscal year 2024. In the fiscal year 2024, the bus sales sector witnessed substantial growth of 27% over fiscal 2023. This growth is anticipated to be bolstered by robust replacement demand; wherein older buses will be replaced with newer ones.

Figure 15: Segment-wise share in domestic wholesale industry

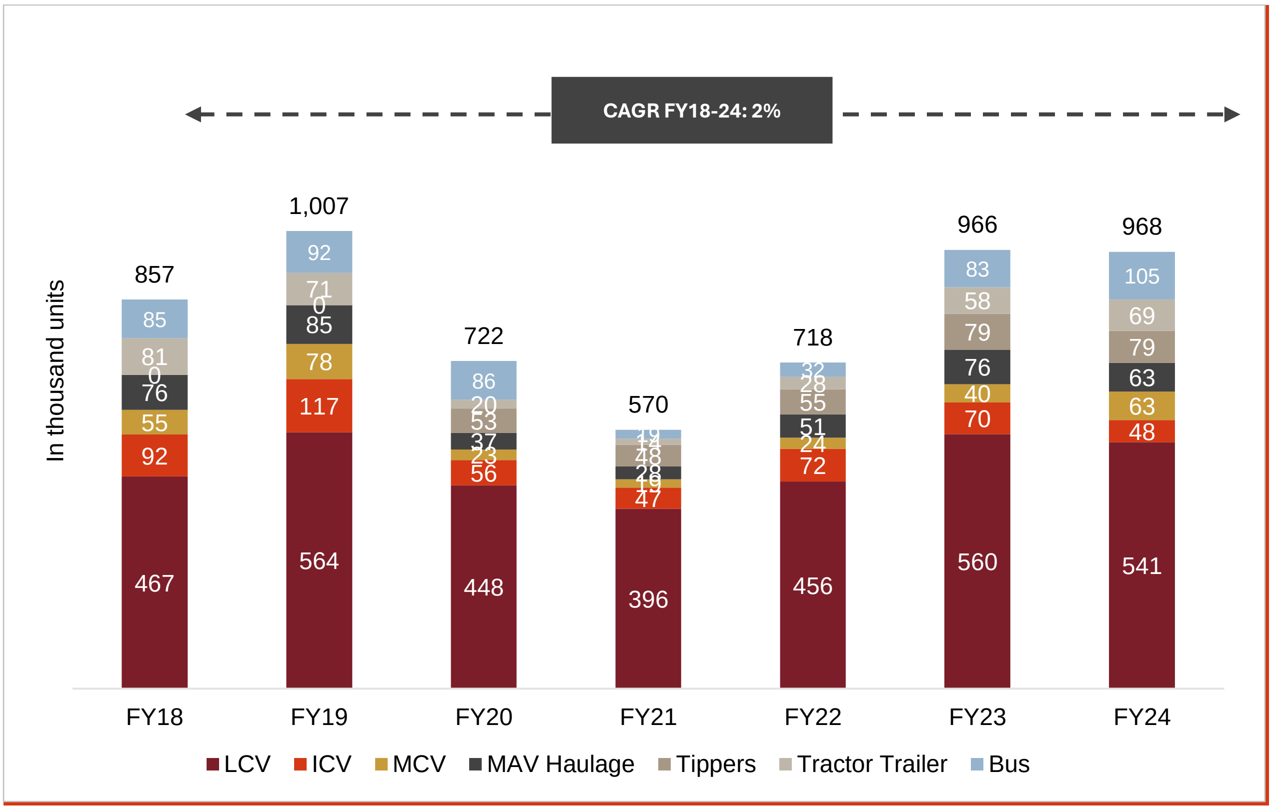


Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A

In fiscal year 2024, the MHCV segment exhibited a de-growth of 3% over the fiscal year 2023. In fiscal year 2023, MHCV sales recorded a growth of 40%, this recovery brought MHCV sales to approximately 90% of the level recorded in fiscal year 2019, a notable milestone. The resurgence in economic activities across various sectors played a pivotal role in driving this recovery. Tractor trailers were the fastest-growing category in the MHCV segment, witnessing a growth of 71% CAGR between fiscals 2021 and 2024, followed by the MCV haulage and MAV haulage segments at 50% CAGR and 32% CAGR, respectively. Tippers grew at 14% CAGR, whereas ICVs clocked 1% growth during the same period.

The bus sales sector witnessed an extraordinary CAGR of 75% during fiscal 2021-2024 period and in fiscal 2024, it witnessed a growth of 27% over fiscal 2023. However, it is essential to contextualize this growth as it was achieved on a low base, indicating a significant decline in bus sales during the previous fiscal year (fiscal 2023). The sharp growth in fiscal 2024 was primarily propelled by the resumption of schools and offices, along with a robust recovery in the tourism sector, contributing to a strong rebound in bus sales.

Figure 16: Segmental sales trend



Note: Domestic sales are exclusive of Bharat Benz sales as the same are not reported by SIAM
Source: SIAM, CRISIL MI&A CONSULTING

Demand drivers for CVs in India

Increasing freight rates to aid in materialization of deferred demand

In fiscal year 2024, fuel prices constituted approximately 55% of transporter costs, exerting a considerable influence on their overall profitability. During this period, diesel prices experienced a modest increase of around 2%. Concurrently, freight rates also rose by an estimated 6%, signalling improved transporter profitability and heightened demand for freight services. These favourable factors are expected to boost Commercial Vehicle (CV) sales, as the industry capitalizes on the increased demand in the transportation sector

Stable agricultural output

Over fiscal 2024 to 2029, CRISIL projects 3-4% gross value added (GVA) growth in agriculture. In fiscal 2024, Agri GVA grew at 2% over last year and expected to remain steady in coming years.

In the current fiscal, kharif sowing was initially delayed due to the delayed monsoon. However, sowing has picked up in recent months. Moreover, higher MSP allocation for fiscal 2024 and good prices in mandis have maintained the positivity on-ground. Going ahead, the rainfall progress and spread to play a key role for the current kharif cycle. The progress of the monsoon and its impact on rural demand especially for two wheelers and tractors, remain as key monitorable.

Healthy industrial growth

The Indian industry's GVA grew at a tepid pace of 3.7% between fiscals 2019-2024 After ~5% growth in fiscal 2019, industrial GVA witnessed contraction in the next two years amidst the unfavourable macroeconomic scenario and the Covid pandemic.

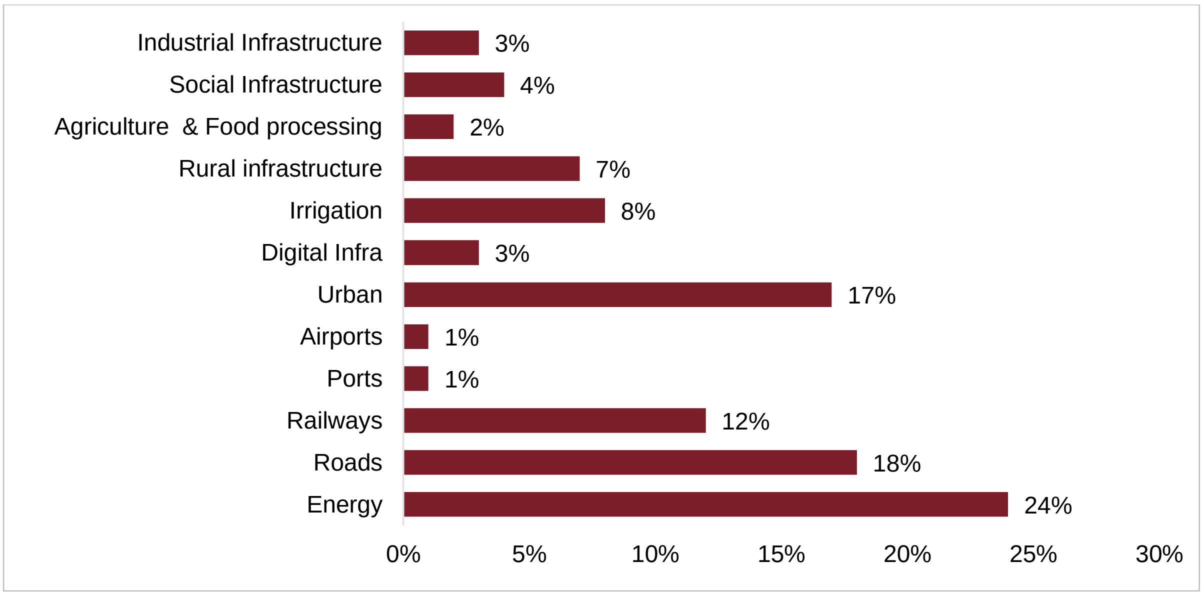
From the low base of fiscal 2021, industrial GVA bounced back rapidly in fiscal 2022 and grew at ~11.5%. Gradual improvement continued in fiscal 2023 at 4.4% and ~3% in 2024. Over the next five-year period (fiscal

2024-2029), industry GVA is expected to be robust driven by the government's focus on 'Make in India'. Moreover, improvement in infrastructure and higher expected corporate expenditure is likely to support the capex cycle going forward post fiscal 2024.

Government's focus on infrastructure

The National Infrastructure Pipeline (NIP) for fiscal 2019-2025 is a government initiative to develop infrastructure across the country and provide world class services to its citizens. The total capital expenditure in infrastructure sectors in India during fiscal 2020 to 2025 is projected at Rs 111 lakh crore.

Figure 17: Sectoral break-up of NIP amounting to Rs 111 lakh crore at launch



Source: Department of Economic Affairs - NIP Volume I, CRISIL MI&A CONSULTING

The NIP plan aims to double infrastructure investment per year from the current average of Rs 10 lakh crore per year to Rs 22 lakh crore per year. Of the total NIP investment of Rs 111 lakh crore, Rs 44 lakh crore (40%) worth of projects are under implementation, Rs 34 lakh crore (30%) worth of projects are at the conceptualisation stage, and Rs 22 lakh crore (20%) worth of projects are under development. Almost 83% of project allocation indirectly benefits the CV sector in India, and this push for infrastructure is a major driver of growth.

Focus on infrastructure and higher mining production to bolster tipper demand

The budgeted capex allocation for infrastructure ministries for fiscal 2024 has shown a 28% increase over fiscal 2023 RE (revised estimates) to Rs. 18.6 lakh crore. Execution by the National Highways Authority of India (NHAI) will reach up to ~14-15 km/day in fiscal 2027, as against ~11 km/day in fiscal 2021, aided by the Bharatmala project. Projects such as Sagarmala and investments in various irrigation projects will further drive MHCV demand. We expect coal production to expand at ~4.5-5.5% CAGR between fiscals 2024 and 2029, while iron ore mining will also likely grow at ~3.5-4.5% CAGR during this period, aiding tipper demand.

Capacity utilization and profitability of transporters

Utilization of transporters depends on:

- Availability of freight - driven by growth in industrial and agricultural production and port traffic
- Regulations on vehicle age, weight, permit and tax norms
- Improvements in road infrastructure, which improve the turnaround time

A rise in utilization translates into better cash flow for transporters and, hence, augurs well for CV sales.

Factors influencing transporter profitability are:

- Freight rates and capacity utilization
- Bargaining power
- Fuel cost and fuel efficiency
- Capital cost
- Agency commission and wage cost
- Operating and maintenance costs, such as tyre prices and toll rates

The dynamics of the domestic freight transport industry (DFTS) play an important role in determining demand for CVs.

Replacement demand

LCVs are typically replaced every 6-8 years, and vehicles purchased between fiscal years 2011 and 2013 were due for replacement in fiscal year 2019.. This strategic replacement cycle contributed to stable sales in fiscal year 2019 and prevented a major decline in LCV sales in fiscal year 2020 after robust sales in fiscal years 2018 and 2019. The postponement of replacement volumes since fiscal year 2020 has further supported LCV demand volumes in fiscal year 2024 and is expected to sustain growth in fiscal year 2025.

JNNURM – I (Jawaharlal Nehru National Urban Renewal Mission) buses, sold during the peak seasons of fiscals 2011 and 2012, are expected to be replaced once funds are released by the central and state governments for purchase. This replacement is expected to gain pace now, aiding long-term MCV bus growth. The government's mandate to replace private vehicles (such as vans) with school buses in some cities, is also expected to augur well.

Also, the centre's scrappage policy is likely to attract 6,00,000-6,50,000 MHCV vehicles for scrapping there by driving the replacement demand.

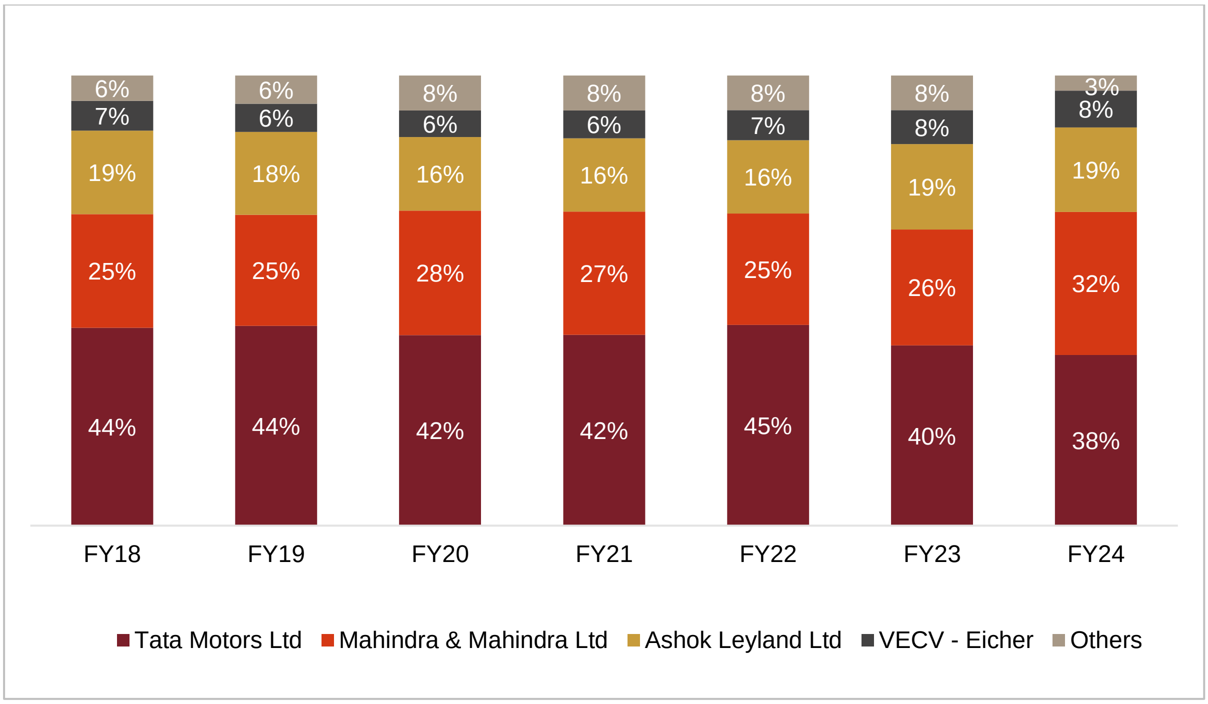
Scrappage policy

MoRTH, in August 2018, considered incentivizing the scrapping of vehicles sold before April 2005 (15 years old). After deliberations on the modalities on implementation of the norm, the government currently aims to promote vehicle scrapping by exempting registration charges for truck purchases made after scrapping older trucks. To incentivize scrappage of older vehicles, the government has increased the registration charges for older vehicles and increased stringency of fitness tests. These will entail higher costs for owners of older vehicles. Hence, by disincentivizing the ownership of older vehicles, the government expects the scrappage of older vehicles to increase. We expect the impact of the norms to be limited on additional scrappage (apart from vehicles scrapped in the normal course of business). If, through higher incentives from the government and OEMs, transporters are able to be incentivized to scrap vehicles older than 15 years, we expect 6,00,000-6,50,000 MHCVs to be available for scrapping.

Competitive scenario

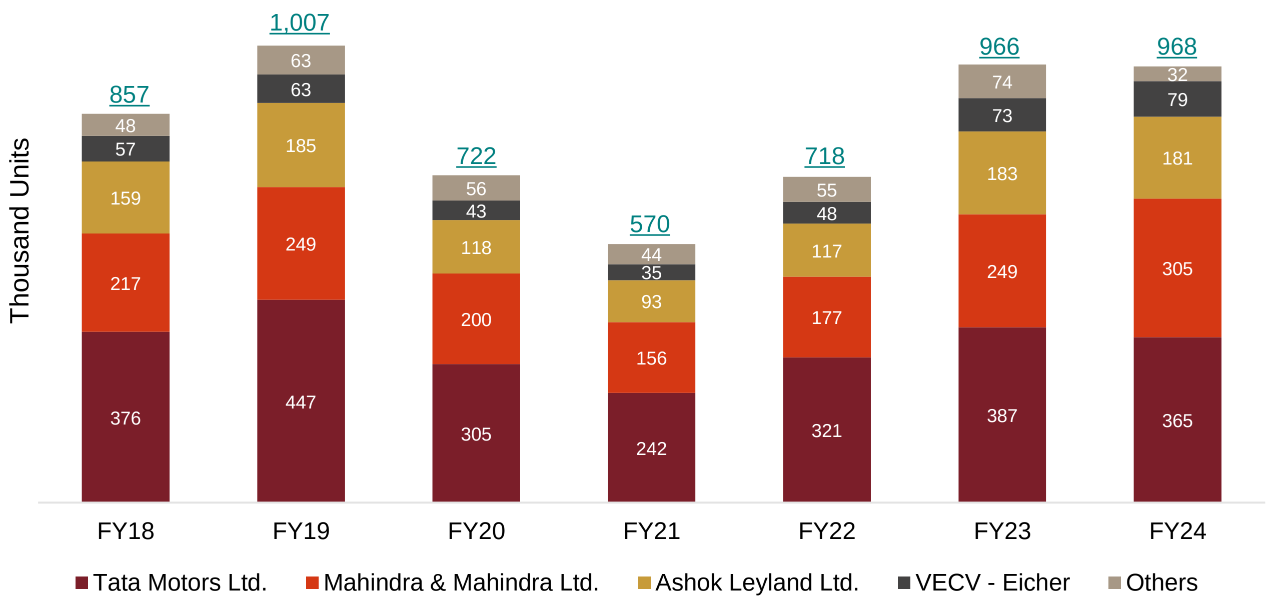
Tata Motors leads in the CVs segment in terms of market share, followed by Mahindra & Mahindra and Ashok Leyland (ALL).

Figure 18: Overall CV industry split by market share across OEMs



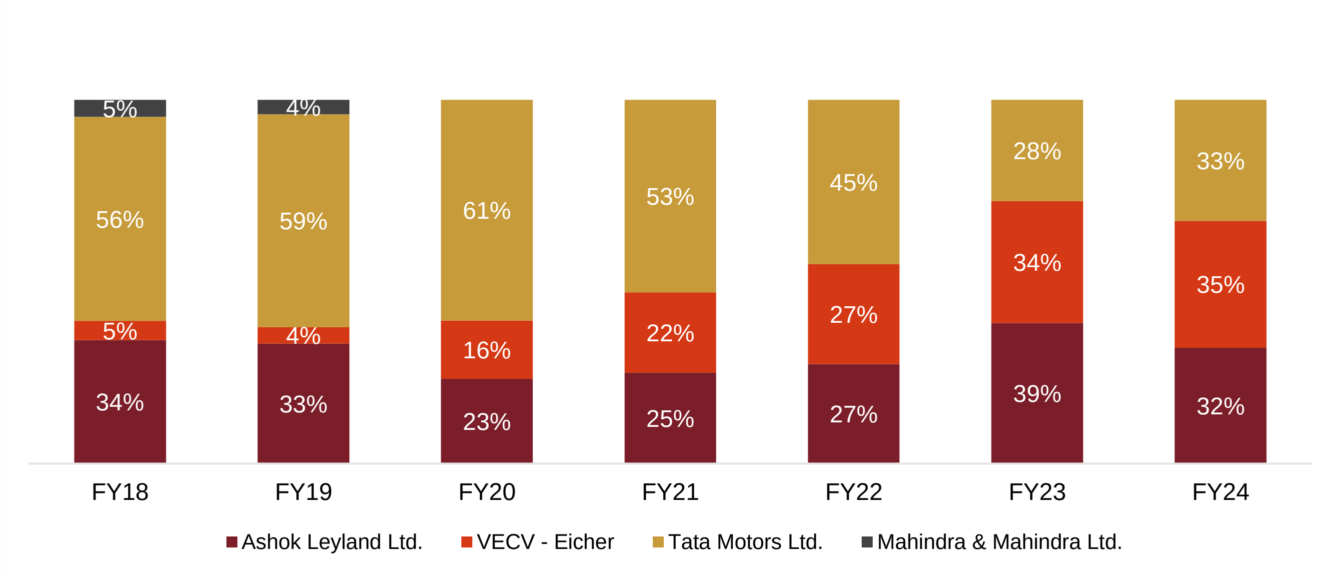
Note - Other players are Force Motors Ltd., Isuzu, JBM auto ltd, Maruti Suzuki Ltd, Olectra Greentech Limited, Piaggio Vehicles Pvt. Ltd., SML Isuzu Ltd., Swaraj Mazda Ltd., Toyota Kirloskar Motor Pvt Ltd., VECVs – Volvo and Volvo Group India Pvt Ltd.
Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A CONSULTING

Figure 19: CV industry split by OEM wholesale volumes



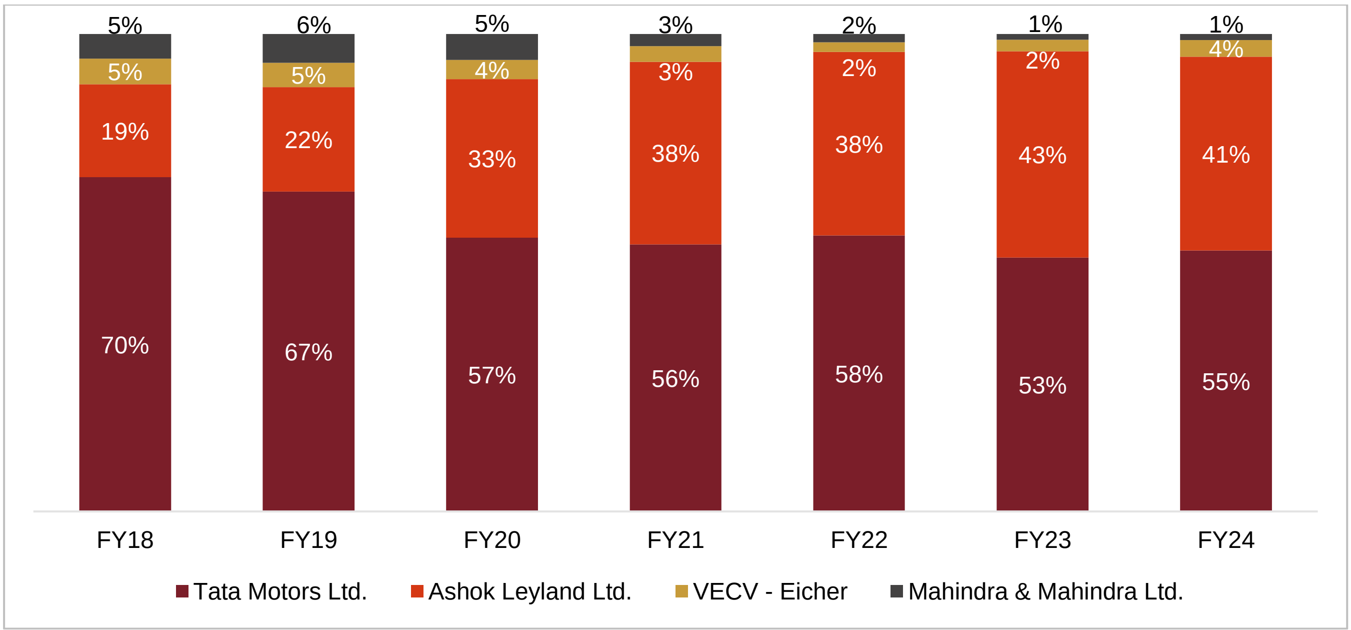
Note - Other players are Force Motors Ltd., Isuzu, JBM auto ltd, Maruti Suzuki Ltd, Olectra Greentech Limited, Piaggio Vehicles Pvt. Ltd., SML Isuzu Ltd., Swaraj Mazda Ltd., Toyota Kirloskar Motor Pvt Ltd., VECVs – Volvo and Volvo Group India Pvt Ltd.
Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A Consulting

Figure 22: MCV goods segment split by market share across OEMs



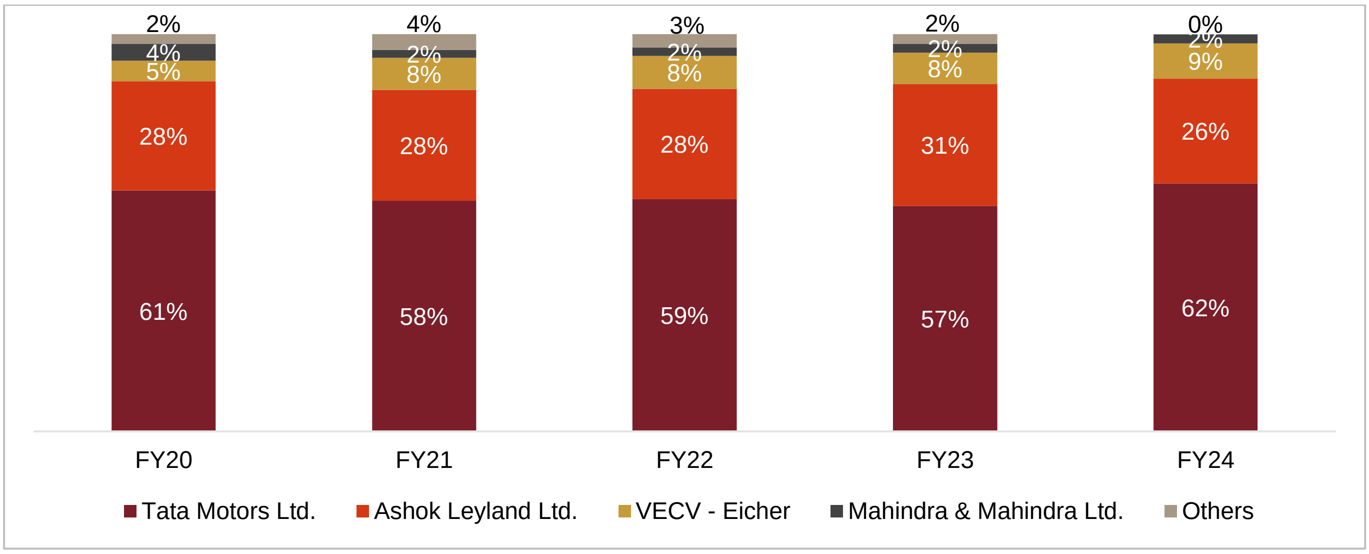
Source: SIAM, CRISIL MI&A CONSULTING

Figure 23: MAV haulage goods segment split by market share across OEMs



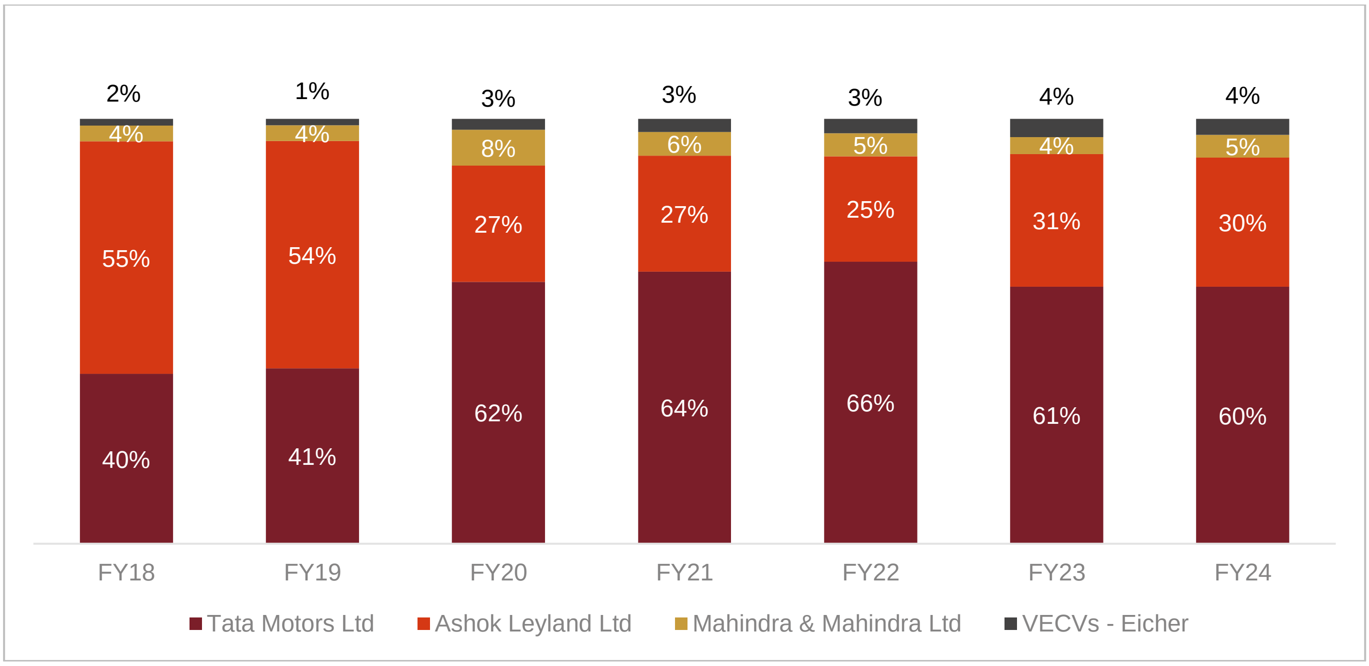
Note: Figures for FY18 and FY19 are the combined tally of MAV haulage and tippers
Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A CONSULTING

Figure 24: Tipper goods segment split by market share across OEMs



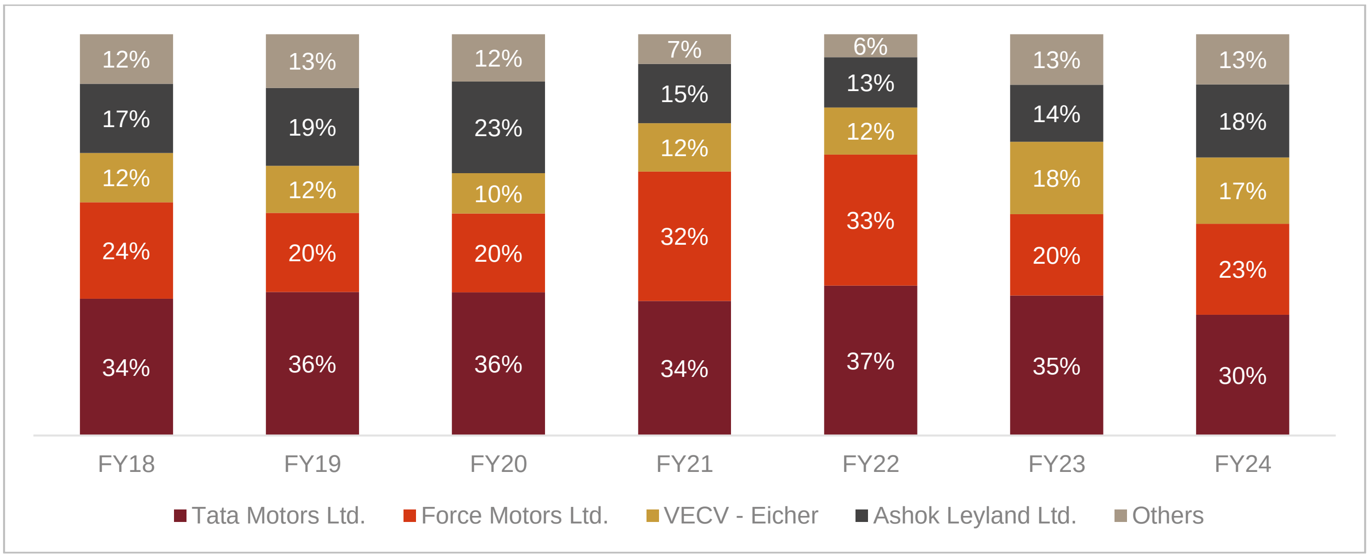
Note: Till FY20 MAV Haulage and Tippers were together reported under the MAV Haulage
Note: Other include Swaraj Mazda Ltd and Volvo Group India Pvt Ltd
Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A CONSULTING

Figure 25: Tractor trailer segment split by market share across OEMs



Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A CONSULTING

Figure 26: Bus segment split by market share across OEMs



Note: All percentages have been rounded off.
Source: SIAM, CRISIL MI&A CONSULTING

Key regulatory changes

Recent regulations for new commercial vehicles (CVs) such as the axle norm, bus body code, mandatory anti-lock braking system, speed governors, enforcement of BS- VI norms, and mandatory cabin ventilation system have already had an impact on the industry. We expect the effects of newer fuel-efficiency norms, the BS-VI phase 2 norms, the truck body code, and the new scrappage policy, to play out in the long run.

Axle load norms

In the second half of fiscal 2019, the Ministry of Road Transport and Highways (MoRTH) notified new axle load norms for CVs, which allow for an increase in the load-bearing capacity of trucks. The new norms were applicable to the entire fleet of freight-moving trucks – called the 'population parc'.

Table 5: New payloads stipulated for MHCVs

(in Tonnes)	MCV		MAV			T-Trailer	
Previous GVW	16	25	31	37	35	40	49
Previous Payload	9	16.5	21	26	23	27	35
Kerb weight	7	8.5	10	11	12	13	14
GVW as per new norm	18.5	28	35	42	39.5	45.5	55
New Payload	11.5	19.5	25	31	27.5	32.5	41
% increase in rated payload	28%	18%	19%	19%	20%	20%	17%

Source: CRISIL MI&A CONSULTING

Although axle load norms increased freight carrying capacity of trucks by ~20%, the benefits were availed by transporters ferrying bulk goods which constitute 35-40% of the truck movement. The movement of bulk goods in billion tonne-kilometers (BTKM) terms via road fell marginally in fiscal 2020 amid the ~20% rise in capacity for bulk goods transporters. Therefore, bulk goods transportation via roads largely continued to face overcapacity, limiting new truck purchases.

Shift from T-trailers to higher tonnage MAVs: After implementation of the axle norm, the payload of the erstwhile 37T would increase to 31T which would be like the erstwhile payload of a 40T T-trailer. Also, the erstwhile 49T T-trailer's payload has now increased from 35T to 41T. Rated load availability at the 41T mark is expected to be less than 35T. Moreover, issues like driver availability and lower maneuverability plague T-trailers. Because of these reasons, higher tonnage MAVs are likely to be more desirable than T-trailers.

Truck body code

All goods vehicles (>3.5T GVW), manufactured either by a vehicle manufacturer or a body builder on drive-way chassis vehicles, had to comply with the provisions of AIS-093 (Revision 1) in two stages - the first stage of compliance in October 2018 and the second stage in October 2019. We believe compliance with this code led to a cumulative price rise of ~5%.

With standardization in truck body building, there was consolidation among truck body builders as small players found it difficult to meet the testing requirements.

Fuel efficiency norms

To make heavy-duty trucks and buses more fuel efficient, the Ministry of Petroleum and Natural Gas, MoRTH, and the Ministry of Heavy Industries are in talks to notify fuel efficiency norms. Based on talks with various stakeholders, BS-IV compliant diesel vehicles of categories M3 and N3, with GVW of 12T and above, will have to comply with these norms. Vehicles are expected to meet the 'target diesel fuel consumption' value for a specific set of speeds, which is dependent on the vehicle's GVW, axle configuration, and category (N3/M3).

Emission norms

The government issued Bharat Stage (BS) emission standards to regulate the output of air pollutants from motor vehicles. In January 2016, the central government decided to skip BS-V and transition directly to BS-VI norms, fixing April 1, 2020 as the deadline for introduction of these norms.

BS-VI phase 2 implemented from April 2023 entailed an addition of on-board self-diagnostic device (OBD2) to monitor real-time emissions. The addition of OBD2 will also require upgrades to hardware and software of the vehicles to comply with the new norms which resulted in a price hike of 2-4%.

Higher safety measures for buses

Safety regulations on vehicle tracking and panic buttons were introduced in January 2019. Later, regulations related to the fire detection system, escape hatches, emergency lighting and emergency doors were implemented in April 2019. These regulations resulted in bus prices increasing by Rs 65,000, in addition to regular price increases.

Air-conditioned driver cabins

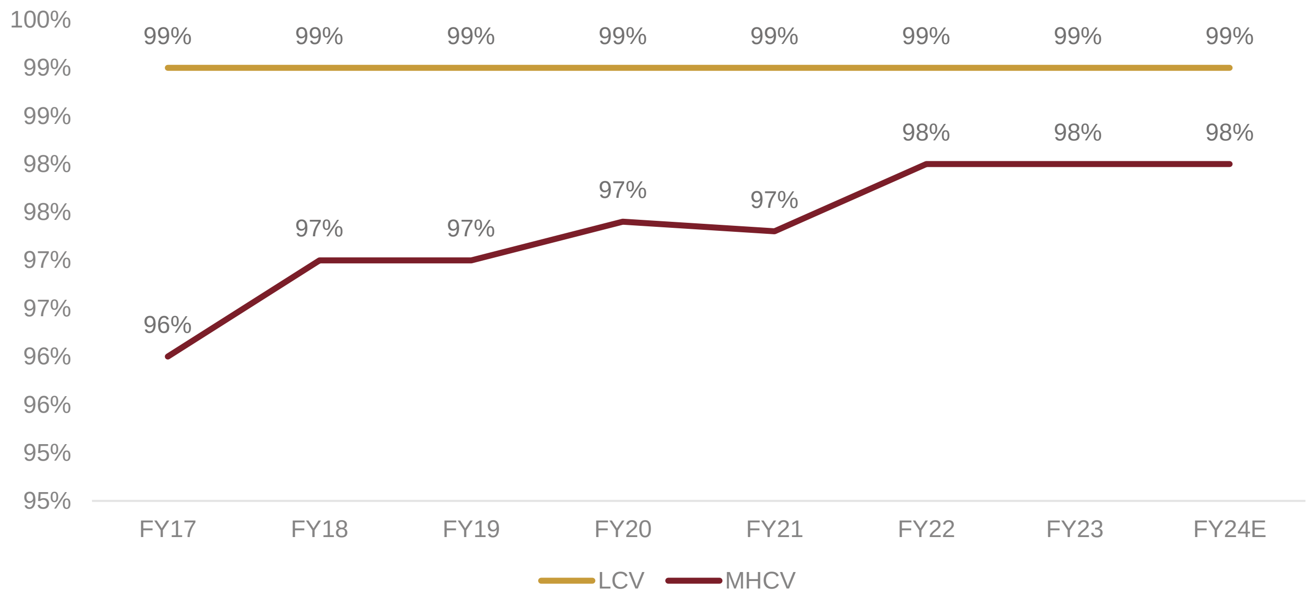
The Indian government's approval of mandatory air-conditioning (AC) systems in truck cabins for categories N2 and N3, effective from January 2025, is set to improve working conditions for truck drivers and address driver fatigue concerns, ultimately enhancing road safety. The new regulation will require truck manufacturers to sell vehicles with pre-fitted AC cabins, incurring an extra cost. Despite the initial financial impact, the long-term advantages in terms of driver well-being and overall efficiency are likely to outweigh the costs.

Overall, in fiscal 2022, disbursement demand picked up for most players due to an increase in private consumption and freight demand, leading to 46% growth.

Disbursements in fiscals 2023 and 2024 have shown a similar trend as wholesale sales have picked up, aided by higher replacement volume, economic recovery and higher government spend on infrastructure. Prices for OEMs have also seen a slower rise of 3-4% in fiscal 2024, due to heavy cash discounting expected at dealer levels, which have pushed up sales and further supported volumes. Financing penetration is expected to remain high and LTVs are expected to inch up.

The top 20 cities account for 40-45% of the total outstanding CV financing portfolio. These cities account for a greater share of MHCV loans, which have an average ticket size of Rs 1.2 - 1.3 million compared with a ticket size of Rs 0.35 - 0.45 million for LCVs. The proportion of LCV sales is higher in regions outside the top 20 cities.

Figure 27: Finance penetration for LCV and MHCV segments



Note: E- Estimated
Source: CRISIL MI&A CONSULTING

Outlook of the Indian CV industry

In recent years, the CV industry has evolved significantly under the influence of several factors. Sweeping changes have impacted not only the industry, but major players, particularly transporters who form the backbone of the sector. Some of the key events are listed below:

Demonetisation, the withdrawal of high-denomination currency notes in 2016, materially impacted the CV industry by prompting a shift towards digital transactions, which increased transparency and accountability in the sector.

Introduction of the GST in 2017 revolutionised the way goods were transported across state borders. It streamlined logistics operations by removing state-level taxes and entry barriers, reducing transit time and costs.

The adoption of BS-VI emission norms in 2020 pushed the CV industry towards producing cleaner and more environmentally friendly vehicles. While it posed initial challenges due to the need for technological upgrades, it has since encouraged innovation and the development of greener transportation solutions.

The enforcement of stringent safety regulations has been a crucial aspect of the CV industry's evolution, leading to the incorporation of advanced safety features in CVs, reducing the risk of accidents and improving road safety.

The pandemic-induced lockdowns, supply-chain disruptions and decrease in demand for transportation services disrupted business operations. However, it also accelerated the adoption of digital solutions, remote monitoring and contactless delivery methods, making the CV industry more resilient.

These changes have influenced the profitability and sustainability of transporters, who play a pivotal role in the CV industry. Though challenges did arise from these transformative events, such as the initial investment required for BS-VI compliance or the pandemic-induced disruptions, they have also opened up new opportunities for growth and efficiency.

One particularly significant change over the past few years is the evolving preference among transporters for larger trucks, driven by their superior cost economics, as detailed below.

Shifting preferences: Historically, a diverse range of vehicle sizes catered to varied transportation needs. However, now transporters increasingly favour larger trucks over smaller ones. The shift in preference is underpinned by several compelling factors.

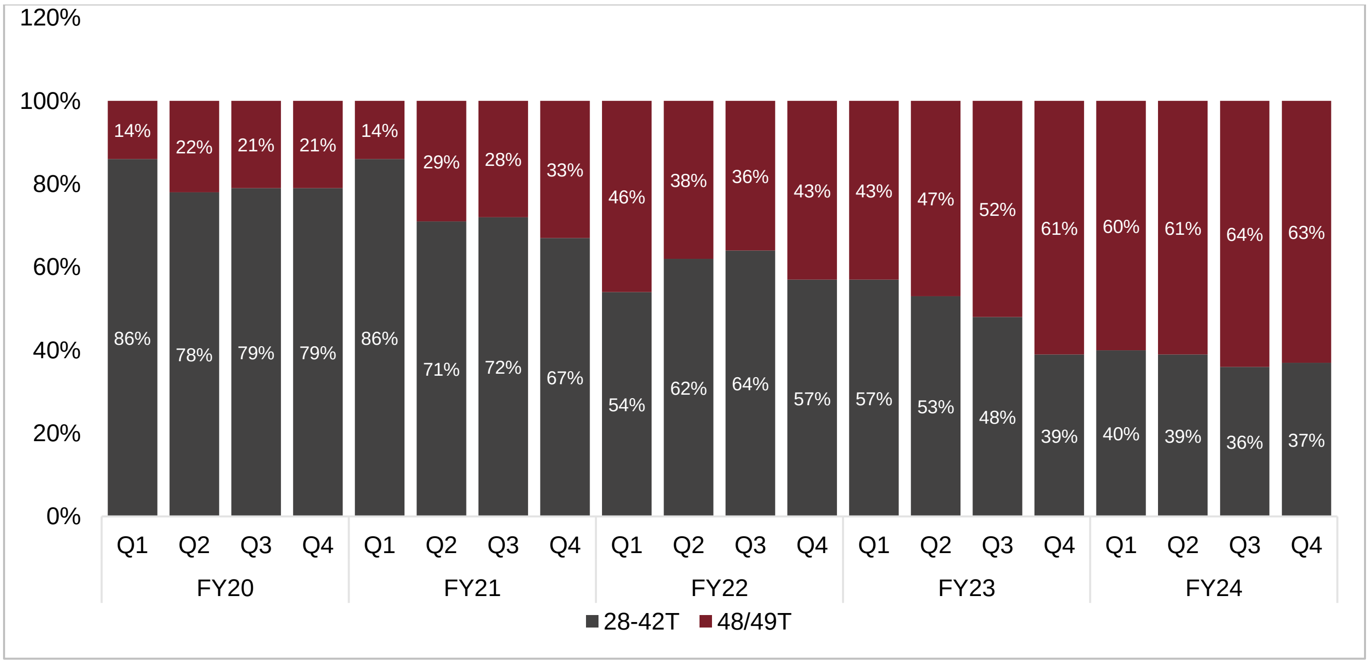
Cost efficiency: Larger trucks are more cost efficient. They can carry more goods in a single trip, leading to lower fuel consumption per unit of cargo transported and significantly reduced labour costs, as fewer drivers are required to move the same volume of goods. The economies of scale associated with bigger trucks have made them an attractive choice for transporters looking to maximise their profit margins.

Versatility: Larger trucks are often designed to be versatile, capable of transporting a wide variety of cargo types, from perishable goods to heavy machinery. This allows transporters to diversify their services, tap into multiple markets and adapt to changing customer demands more effectively.

Competitive advantage: Transporters recognise that operating larger trucks can provide a competitive edge. The ability to handle larger volumes of cargo can lead to stronger negotiations with shippers and better utilisation of resources, ultimately contributing to a more profitable business model.

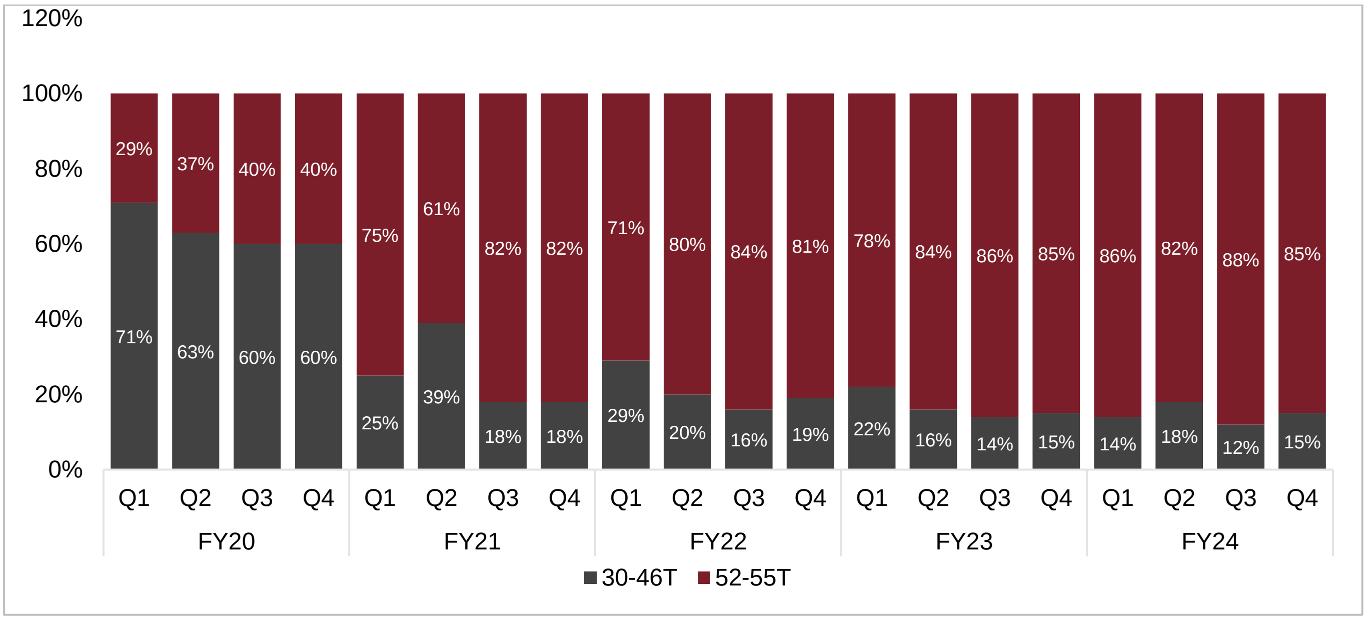
Transformation in market dynamics is notably reflected in the sales volume of trucks, characterised by the increasing prominence of higher tonnage segments that have steadily expanded their market share. Growth has, in turn, led to a gradual erosion of the market share of smaller tonnage vehicles. This can be seen from the quarterly sales figures of MAVs and tractor trailers:

Figure 28: GVW trend in MAV sales



Source: CRISIL MI&A CONSULTING

Figure 29: GVW trend in tractor trailer sales



Source: CRISIL MI&A CONSULTING

The CV market is expected see a constant rise in vehicle tonnage, which is expected to significantly change the industry's landscape. Market dynamics are changing significantly as the industry's average payload rises, especially increasing intensity of trailer axles for CV trucks.

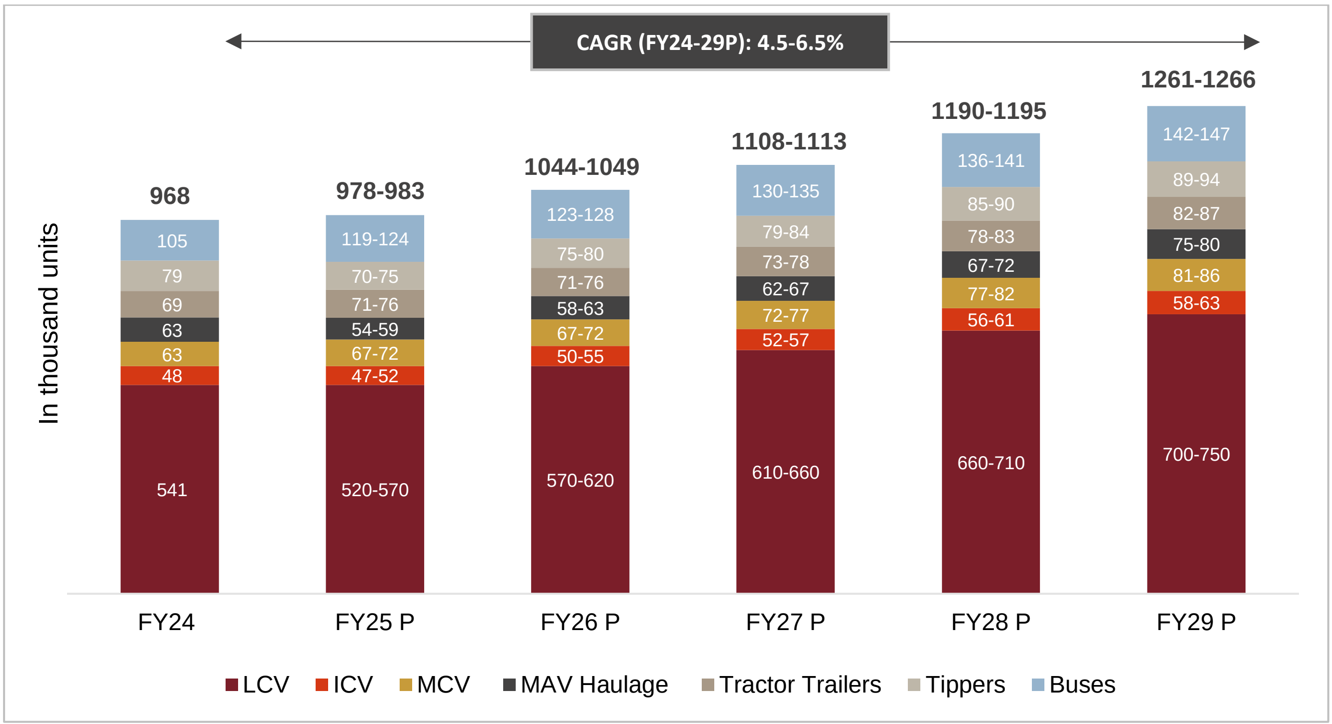
The driving force behind this transformation is the escalating demand for higher tonnage vehicles. Heavy-duty trucks, weighing 42-tonne or 48-tonne, are becoming more commonplace on the roads. Unlike their lighter counterparts, these massive vehicles require a greater number of parts and components to operate. This fundamental shift translates into a notable increase in production costs for these CV trucks. To put this into perspective, a typical 19-tonne or 28-tonne truck may consist of 2-3 axles, while a 42-tonne or 48-tonne truck can have as many as five axles.

The CV industry recovered spectacularly in fiscal 2023, with a 34% growth rate and 0.6% in fiscal 2024, reaching 96% of pre-pandemic levels of fiscal 2019. Increased government spending, robust replacement demand, and strong end-user sectors such as construction and mining are expected to support growth.

Light commercial vehicle goods (LCV) sales de-grew by -3% in fiscal 2024, supported by sustained replacement demand with rising competition from electric three-wheelers, especially in the sub one tonne segment restricting further expansion. In fiscal 2023, LCV sales recorded impressive growth of 23%, rebounding to 99% of pre-pandemic levels. The surge in sales can be attributed to robust replacement demand, especially in the sub-one-tonne category, which was deferred due to economic challenges and the pandemic.

Over the long-term horizon, domestic CV sales are projected to record a 4.5-6.5% CAGR between fiscals 2024 and 2029, led by a 5-7% CAGR in the LCV segment, 3-5% CAGR in the M&HCV segment and 5-7% CAGR in the bus segment.

Figure 30: Domestic sales outlook of CVs



P: Projected
Source: SIAM, CRISIL MI&A CONSULTING estimates

The commercial vehicle (CV) sales for fiscal year 2025 are expected to grow marginally by 0-2%. Increased public spending and strong replacement demand support this trajectory. This upward trend is expected to be aided by important end-user industries, especially mining and construction, which are expected to maintain their robust demand.

Table 6: End-use sector outlook (between fiscals 2024 and 2029P)

Key end-use segments and outlook		
Sectors	**Growth outlook (FY24-FY29P)**	**Key aspects**
Coal	4-5%	Growth in coal-based power generation Demand from allied sectors such as cement and sponge iron
Steel	5-7%	Building and construction, the major demand creator in this segment Demand to be driven by rural housing/affordable housing and commercialisation of Tier III/IV cities Infrastructure demand also plays an important factor according to National Infrastructure Pipeline (NIP)
Cement	6.5-7.5%	
Port movement	3-7%	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 CONSULTING expects the Government of India (GoI) to achieve 80-85% of its targeted investments
E-commerce	21-26%	Food, fashion and grocery segments to 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 CONSULTING

MHCVs 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.

Bus demand 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.

Emerging trends in the CV ecosystem

Alternate fuels

The adoption of alternate fuels in commercial vehicles has gained significant momentum in recent years, driven by the need for low emission solutions to address environmental concerns, reduce the dependence on fossil fuels and achieve zero emission transportation. Three prominent alternatives that have garnered attention are electric vehicles (EVs), natural gas and hydrogen-powered vehicles.

Hydrogen is also being explored as an alternative fuel for commercial vehicles through fuel cell and hydrogen ICE powertrains. Hydrogen-powered trucks and buses offer a long range and faster refuelling times compared with EVs. They emit only water vapour as a by-product, making them attractive from an emission standpoint. However, challenges such as the high cost of production, transportation and infrastructure development hinder widespread adoption. Furthermore, MoRTH has framed draft rules for approval of hydrogen ICE vehicles under M and N category and MNRE has introduced the National Green Hydrogen Mission to incentivise commercial production of green hydrogen and make India a net exporter of the fuel.

Truck aggregation

The truck aggregation trend has witnessed significant growth over the past few years. This model involves online platforms that connect truck owners and transporters with businesses requiring freight services. It has transformed the traditional trucking industry by enhancing efficiency, reducing empty miles, and providing better load utilisation. Truck aggregation platforms such as BlackBuck, Rivigo, and TruckSuvidha have gained prominence by streamlining logistics through digital solutions.

Telematics and connectivity

Telematics involves the integration of telecommunications and informatics to enable real-time communication and data exchange between vehicles, fleet managers and centralised systems. Commercial vehicles are equipped with a global positioning system (GPS), sensors and communication devices, enabling fleet operators to monitor real-time parameters such as location, fuel consumption, speed and driver behaviour.

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.

Electrification in passenger vehicles (buses)

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.

Tractor industry: Review and outlook

Review

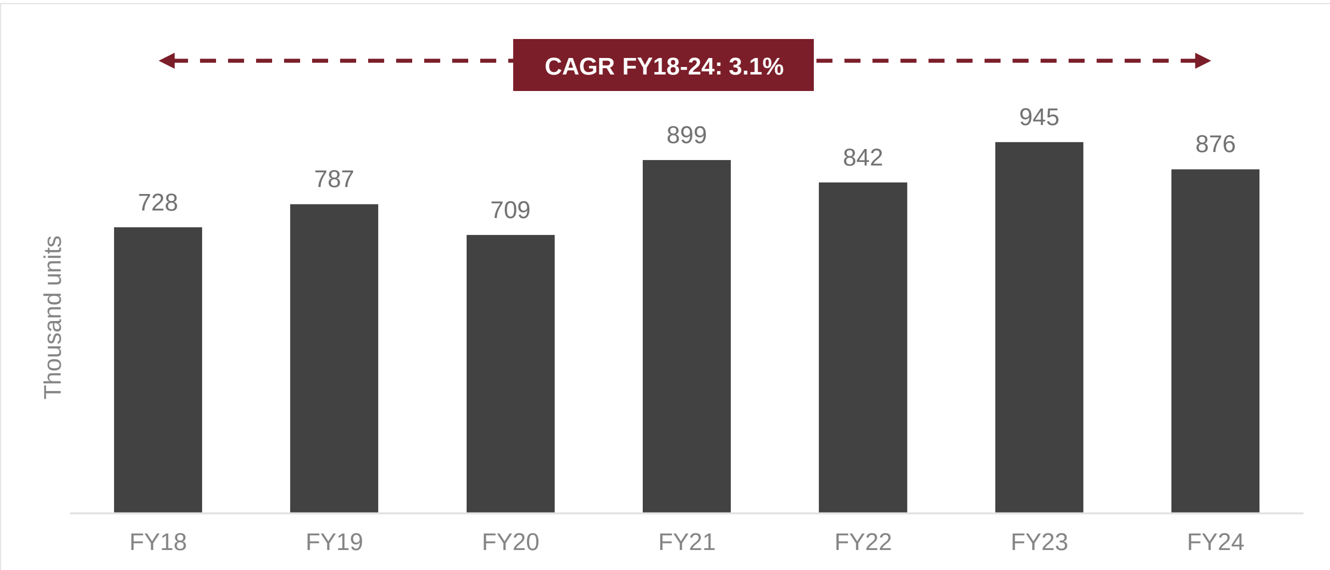
Historic domestic tractor industry

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.

In fiscal 2024, 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 5.8% on-year as compared to the same period last fiscal.

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.

Figure 33: Domestic tractor industry logged 3.1% CAGR between fiscals 2018 and 2024



Source: TMA, CRISIL MI&A CONSULTING

Factors impacting tractor industry

Table 4: Improving crop prices and pick-up in infrastructure development to drive domestic tractor demand

Parameters	Impact			
	FY22	FY23	FY24	FY25E
Farm income	**N**	**F**	**N**	**F**
Crop prices (minimum support prices or MSPs)	N	F	N	F
Crop output	N	F	N	F
Kharif output	N	F	N	F
Rabi output	N	F	N	F
Demand indicators	**N**	**N**	**N**	**N**
Infrastructure development	N	F	F	F
Sand mining	N	N	N	N
Finance	**N**	**N**	**F**	**F**
Agri credit, finance availability	N	N	F	F
Supply	**NF**	**NF**	**N**	**N**
Channel inventory	NF	NF	N	N
Player action: Pricing and products	F	N	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. A farmer will prefer to invest in costlier assets such as tractors only when he is assured of receiving essentials for farming such as water supply. The irrigation spends which increased significantly in 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.

Irrigation intensity is the highest in Punjab and Haryana, which have the highest tractor penetration in India. As irrigation facilities improve in the rest of India, tractor penetration will see corresponding increase.

Landholding pattern

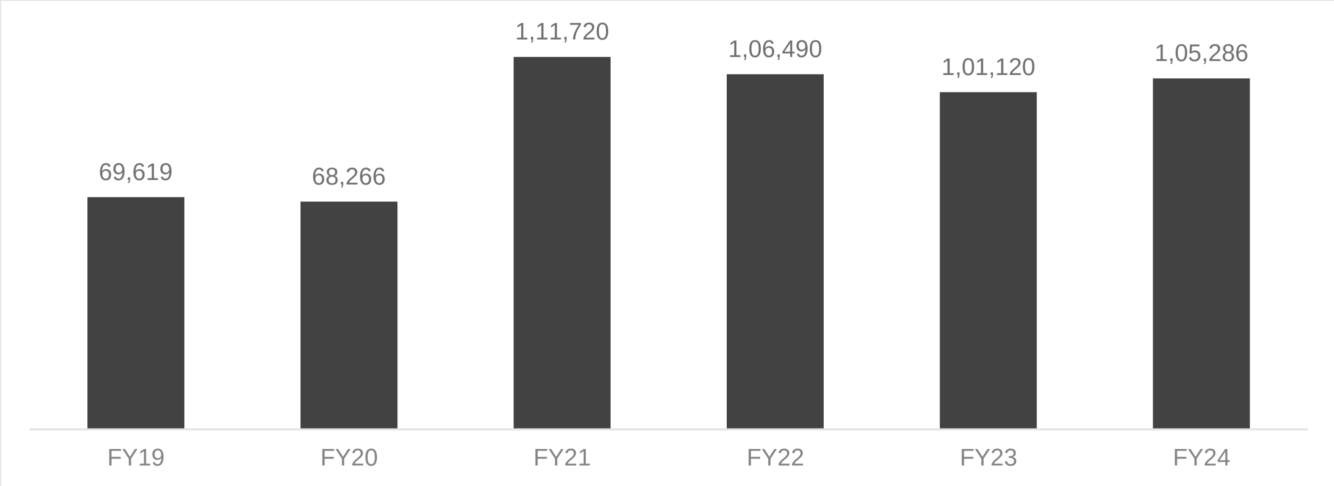
The average land holding size in India is very low at 1.16 hectares (ha) as against a world average of 3.7 ha, with about 68% of farmers being marginal farmers (holding less than 1 ha). This has been a deterrent for tractor demand.

But with the proportion of landholdings below 2 ha being very high, consolidation of landholdings will drive demand in the long run.

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 105,286 crore. In fact, the actual spends under the scheme have on average been higher than the budgeted amount in the past.

Figure 35: MNREGA expenditure (in Rs crore)



Source: Ministry of Rural Development, CRISIL MI&A CONSULTING

Cropping pattern

Farmers are being encouraged and educated by state governments to improve farm productivity, and consequently increase their incomes. To improve farm productivity, farmers are practicing multiple cropping. Consequently, the use of tractors helps the farmer to complete operations quickly, following which he can move on to the next crop.

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 lower-powered tractors. In India, the northern states of Punjab, 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, where the agricultural activity involved is high, and the 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 the actual usage could vary, depending on the soil and cropping conditions. Usually, the farmer who is replacing a tractor would want to upgrade to a higher-powered tractor. Hence, given the increasing income levels and the existing numbers of lower-powered tractors, the replacement demand in states such as Punjab and Uttar Pradesh would be high for higher-powered tractors.

PMGSY completion trend

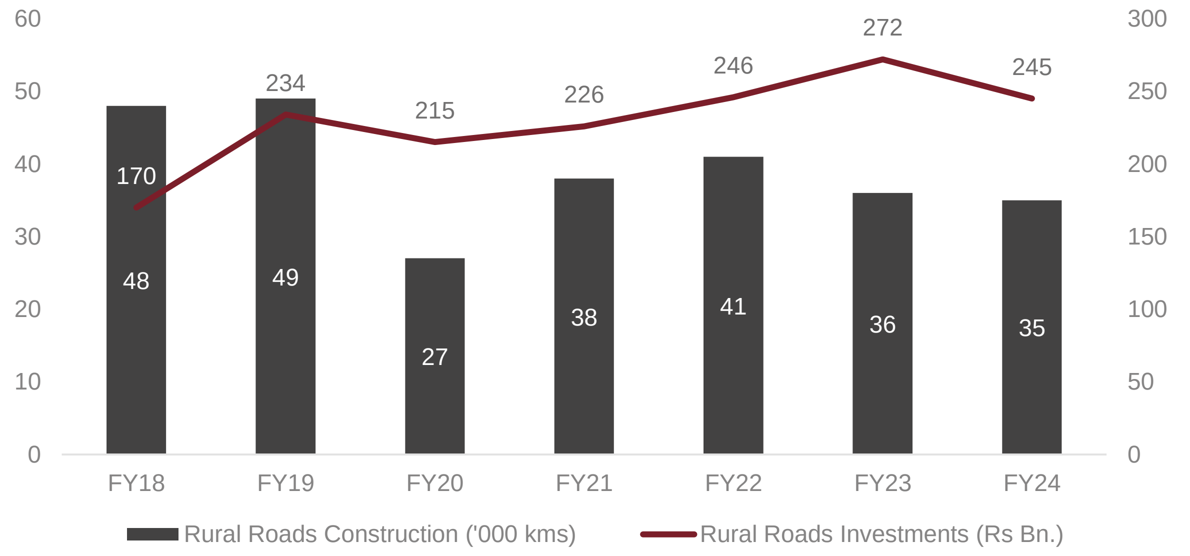
The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by constructing a single all-weather road, to the eligible unconnected habitations in the core network with a population of 500 persons and above (Census 2001) in plain areas.

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	164609	644874	7461	163440	624442	7126
PMGSY-II	6679	49834	759	6567	49016	746
RCPLWEA	1347	12227	705	902	9247	422
PMGSY-III	15219	116801	2945	9564	83293	784
Total	187854	823738	11870	180473	765999	9078

Source: PIB, CRISIL MI&A CONSULTING

Figure 37: Investment in rural road construction



Source: Ministry of Rural Development, CRISIL MI&A CONSULTING

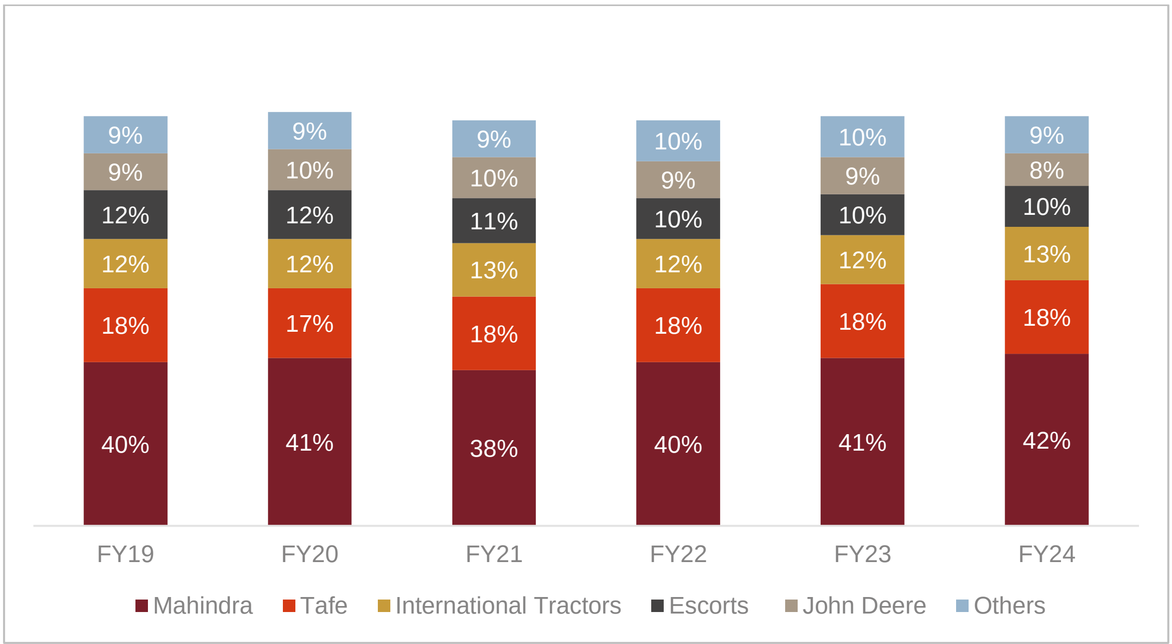
Demand drivers

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.

Competition

The structure of the domestic tractor industry has remained largely steady over the years.

Figure 40: Player-wise domestic market share (volume-wise): M&M gained significant market share last fiscal



Source: CRISIL MI&A CONSULTING

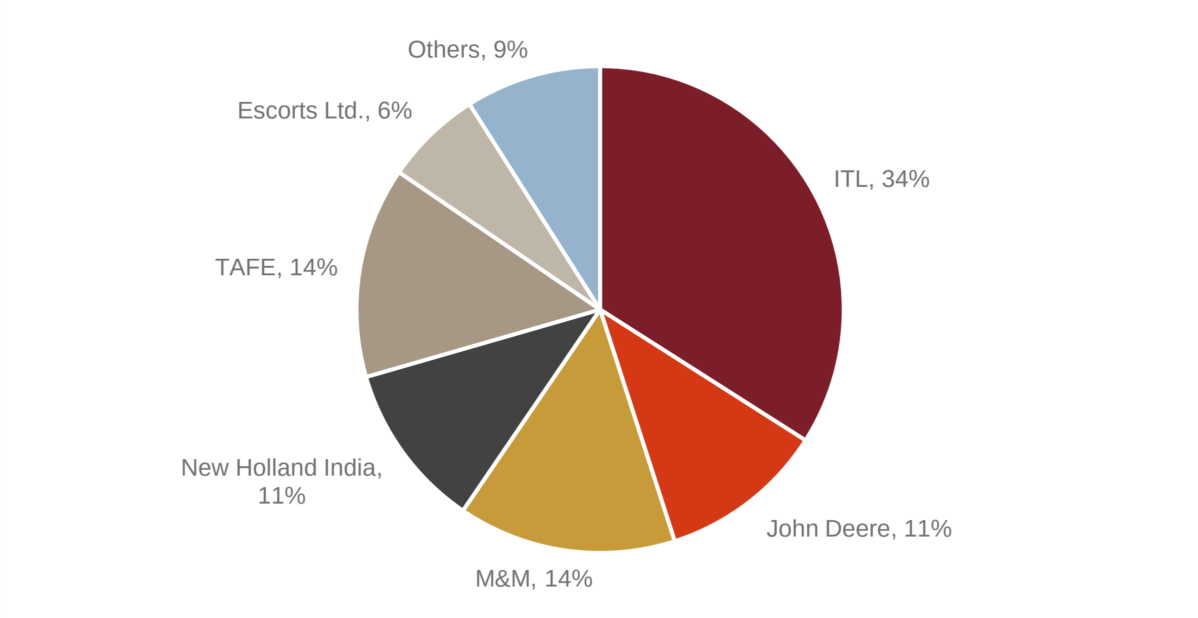
Going forward, CRISIL Consulting expects the competition in the industry to intensify further. However, the top five players will continue to account for 85-90% of the industry by volume. A strong distribution network, brand recall, captive financiers and diverse product range are critical to maintain market position in the tractor industry.

>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.

ITL, John Deere and Escorts have been focusing on growing exports to insulate themselves from the cyclic domestic market demand. The 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.

Figure 42: Player-wise share of tractor exports (fiscal 2024)



Source: TMA, CRISIL MI&A Consulting

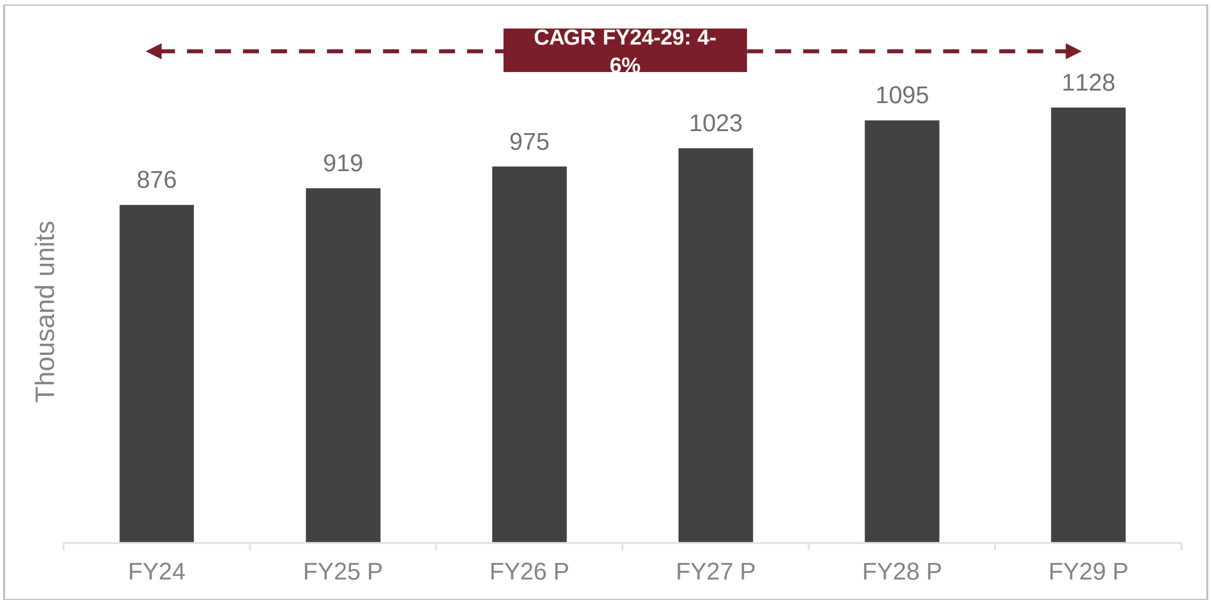
Outlook of Indian tractor industry

CRISIL MI&A Consulting projects domestic tractor sales to increase at a steady pace over fiscals 2024 to 2029, factoring 1-2 years of erratic monsoon, with healthy sales forecast for the remaining years.

During fiscals 2019 to 2024, the industry had registered a 2% CAGR, owing to healthy sales in fiscals 2021 and 2023.

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.

Figure 43: Tractor industry sales expected to increase 4-6% between fiscals 2024 and 2029



Note: P- Projected
Source: CRISIL MI&A Consulting

Key growth drivers

Farm mechanisation improving across India

Although farm mechanisation has been increasing in India, its progress across states varies widely. The northern states of Punjab, Haryana and Uttar Pradesh have already achieved high levels of mechanisation, with sales driven primarily by replacement demand.

The pace of mechanisation, though, is slower in eastern states, thus providing potential for sales growth.

Increasing non-farm usage of tractors

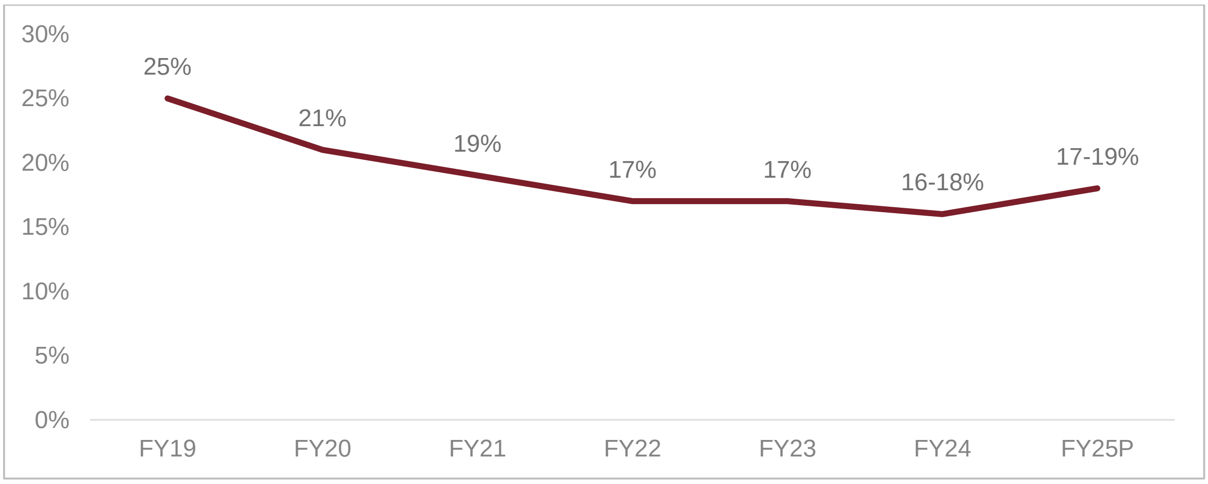
Farmers primarily purchase tractors for agricultural operations, but also use these for commercial purposes. Taking into consideration the short period that tractors are deployed on farms, farmers look for alternate uses such as renting it out to other farmers or to rural contractors involved in construction activities.

Tractors are also used in mining, construction and haulage activities. Currently, non-farm usage accounts for 18-23% of demand for tractors.

As tractors are used only for short periods on farming activities, it is not economically viable for farmers to deploy them solely for farming purposes. Hence, going forward, tractors rural construction and transportation will also gain prominence in tractor usage, apart from agriculture.

Commercial demand for tractor account for 16-23% of overall tractor demand.

Figure 44: Commercial demand expected to rise



E: Estimated; P: Projected
Source: CRISIL MI&A Consulting

In fiscal 2025, we estimate commercial demand to rise at a moderate pace due to slower demand from construction and sand mining activities.

Rental model and low-cost tractors key to penetrating fragmented land holdings in India

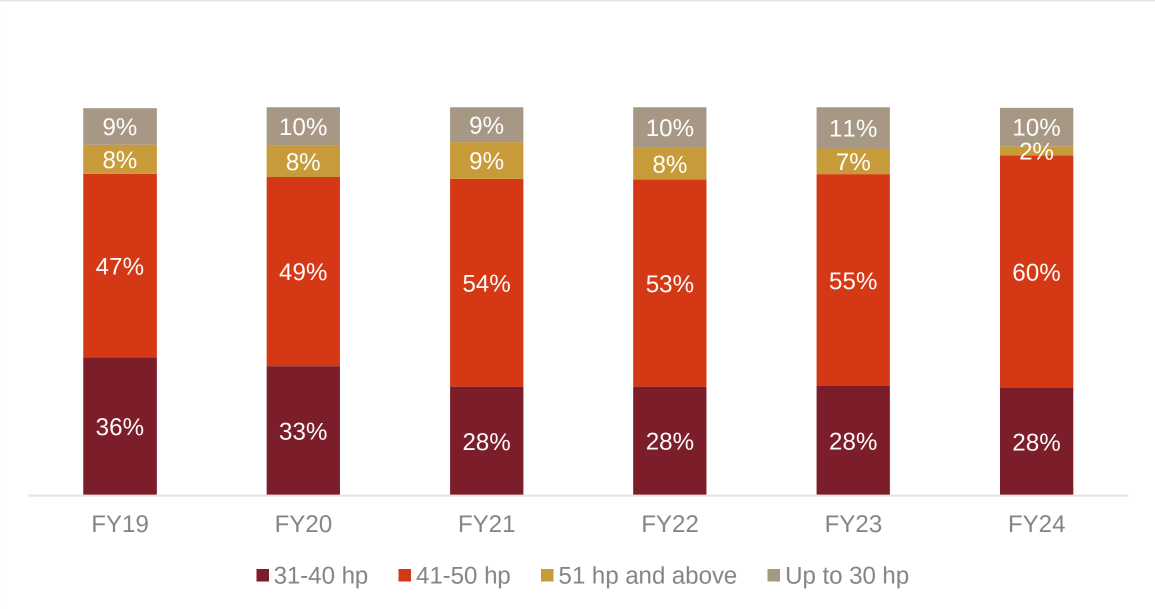
Despite the huge potential total arable land offers, the fragmented land-holding pattern in India remains a hurdle. With over 80% of land holdings being small and marginal (less than 2 ha), most farmers are unable to afford tractors. They depend on renting tractors or buying small tractors to improve productivity, a trend which is rapidly gaining hold.

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.

Segment-wise tractor sales shifting towards higher horsepower

The 41-50 hp segment has maintained its dominant share because of multiple applications in agriculture and haulage. Bulk of the implements available are also better-suited for 41-50 hp tractors.

Figure 45: Segment-wise break-up of the tractor industry



Source: TMA, CRISIL MI&A Consulting

The major factors that cumulatively influence hp demand are:

Irrigation: Increased irrigation leads to higher and stable income streams to purchase higher hp tractors. For instance, Punjab and Haryana (despite soft alluvial soil) have migrated to higher hp tractors

Soil type: Extremely hard soil necessitates the use of higher hp tractors. Western Maharashtra, for instance, has hard black cotton soil; hence, 41-50 hp tractors are preferred. However, some pockets of Vidarbha have soft red soil and small farm size; therefore, 31-40 hp tractors are preferred

Farm size: States having more marginal and fragmented land holdings drives sales of lower hp tractors

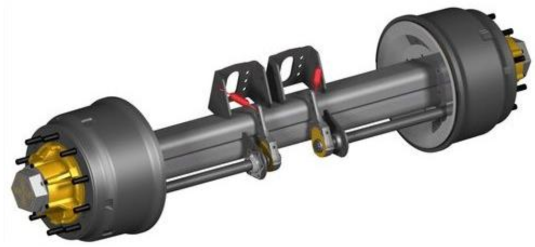
Commercial usage: High commercial usage of tractors in eastern and southern states also has increased the demand for relatively higher hp tractors.

Forging and machining components and assemblies

Description of select forging and machining components (Specific to components sold by Kross Ltd.)

A. Trailer part assemblies

- **Trailer Axle**



The trailer axle is a component of a trailer that supports the weight of the trailer and its cargo. It also connects the trailer wheels to the trailer frame. Trailer axles are typically made from high-strength steel to withstand the heavy loads and harsh conditions that they are subjected to. The design, technology used for development, backward integration and after-sale service provided are crucial aspects for trailer axle manufacturers.

Trailer axles are used in all types of trailers, from small utility trailers to large semi-trailers. They are also used in a variety of other vehicles, such as buses, RVs, and construction equipment.

The main types of trailer axle: Single Tandem and Tridem

- Single trailer axles are the most common type of trailer axle. They are typically used on smaller trailers, such as utility trailers and boat trailers.

- Tandem and Tridem axles are two axles that are mounted close together. They are typically used on larger trailers, such as semi-trailers and dump trucks. Tandem trailer axles provide better weight distribution and stability than single trailer axles.

A major aggregate in the trailer axle is the beam with spindle ends. In India, this is currently being manufactured by welding two C-Section to form a square and the end spindles are then welded on to the beam. However, in other jurisdictions, a different process is followed where ends of the seamless tube of the required thickness are heated, and the spindles are extruded at both ends simultaneously.

Some of the key players in this segment include York Transport Equipment (India) Private Ltd, RSB Transmissions (I) Ltd and BPW Trailer Systems India Private Ltd.

- **King Pins**

The king pin assembly is used on all Prime Movers i.e. For Tractor Trailers. The King Pin is the main connect between Chassis and the Trailer. It is the safety item and needs ARAI approval. It is made from allow steel and heat treated.

- **Suspension - Mechanical and Air**

The Mechanical Suspension is used on the Trailers consists of Front Axle, Rear Hanger assembled on Leaf Spring, U Bolts and various other child parts. It is an important aggregate for the Trailer.

B. Other components

- **Axle shafts**

A rear axle shaft is a component of the rear axle housing on a rear-wheel drive vehicle. It provides the power to the tires to drive the vehicle. Axle shafts connect the wheels to the differential and transmit rotational power from the Differential to the wheels. These are typically made of high-strength alloy steel and are designed to withstand the high torque and loads associated with commercial vehicles. Axle shafts are used for Medium, Heavy, Light and SUV Vehicles. It is used 2 per vehicle in Tandem and in Multi Axle it is used 4 per vehicle. Axle shafts connect the wheels to the differential and transmit rotational power from the engine to the wheels. These are typically made of high-strength alloy steel, and are designed to withstand the high torque and loads associated with commercial trucks.

Some of the key players in this segment include Ramkrishna Forgings Ltd and Talbros Automotive Components Ltd.

- **Spindle**

The spindle is connected to rear axle housing and is stationary. It is welded to the Axle Beam and is supported in the Hub with two Bearings.

- **Coupling flange**

Coupling flanges are used in trucks to connect two shafts together. These are typically used to connect the driveshaft to the differential, or to connect the differential to the axles. Coupling flanges allow the shafts to rotate independently, but also ensures that these are properly aligned and that the rotational force is transferred efficiently between the two.

Coupling flanges are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of coupling flange used varies depending on the application. For e.g., light-duty trucks may use a single coupling flange to connect the driveshaft to the differential, while heavy-duty trucks may use a double coupling flange setup, with two coupling flanges per connection.

One of the key player in this segment includes Sunstar Precision Forge Ltd.

- **Differential spider**

Differential spiders are essential components of the differential in a truck. These are responsible for distributing the rotational force from the differential pinion gear to the differential ring gear, and then to the drive axles. This allows the wheels to turn at different speeds, which is necessary when the truck is turning or traveling over uneven terrain.

Differential spiders are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of differential spider used will vary depending on the application. For e.g., light-duty trucks may use a single differential spider, while heavy-duty trucks may use two or more differential spiders.

One of the key player in this segment includes Mahabal Auto Ancillaries Private Ltd.

- **Clutch Release Forks**

The clutch fork is a lever that is used to disengage the clutch in a truck. It is connected to the clutch pedal and the clutch release bearing. When the clutch pedal is pressed, the clutch fork pushes the clutch release bearing against the pressure plate, which disengages the clutch. This allows the driver to shift gears or come to a stop.

Clutch forks are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of clutch fork used will vary depending on the application. For e.g., light-duty trucks may use a single clutch fork, while heavy-duty trucks may use a tandem clutch fork setup with two clutch forks.

Clutch forks are typically made from high-strength steel alloys that are designed to withstand the high torque and loads that they are subjected to. Clutch forks are also heat treated to improve their durability and resistance to wear.

- **Universal joint cross**

A universal joint cross, also known as a U-joint cross, is a mechanical device that allows two shafts to rotate at different angles. This is essential for trucks, as the driveshaft and axles must be able to move independently as the truck turns and travels over uneven terrain.

Universal joint crosses are used in all types of trucks, from light-duty pickups to heavy-duty semis. These are also used in a variety of other vehicles, such as cars, buses, and SUVs.

- **Gear assembly shifter**

A gear assembly shifter is a device that allows the driver of a truck to change gears. It is typically located on the floor of the truck, between the driver's and passenger's seats. The gear assembly shifter is connected to the transmission, and when the driver moves the shifter, it changes the position of the gears in the transmission, allowing the truck to accelerate or decelerate. Gear assembly shifters are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of gear assembly shifter used will vary depending on the application. For e.g., light-duty trucks may use Manual gear assembly shifter, while heavy-duty trucks may use an automated manual transmission (AMT) gear assembly shifter.

- **Steering assembly fork**

The steering assembly fork, also known as the steering knuckle fork, is a component of the steering system in a truck. It is attached to the steering knuckle and connects to the tie rod. The steering assembly fork allows the steering knuckle to pivot, which turns the wheels. Steering assembly forks are used in all types of trucks, from light-duty pickups to heavy-duty semis. They are also used in a variety of other vehicles, such as cars, buses, and SUVs.

- **Planetary carrier**

The planetary carrier is used on the heavy Trucks which have 9 Speed Gear Box. The Gear Box which required high torque the Planet Carrier Assembly is used for meeting torque in the Gear Box. It is a critical component and a part of the transmission of the truck.

- **Inter-axle differential housing assembly**

The inter-axle differential housing assembly, also known as the inter-axle differential carrier, is a component of the drivetrain in a truck. It encloses and protects the inter-axle differential, which allows the front and rear axles of the truck to rotate at different speeds. This is necessary when the truck is turning or traveling over uneven terrain. The Inter-axle Differential Housing Assembly is used on the Tandem Axle.

- **Pole wheel**

The pole wheel, also known as the reluctor wheel or ABS wheel, is a component of the anti-lock braking system (ABS) in a truck. It is a rotating disc that is attached to the wheel hub. The pole wheel has a series of teeth or slots that are detected by an ABS sensor. The ABS sensor uses the information from the pole wheel to determine the speed of the wheel.

Pole wheels are used in all types of trucks, from light-duty pickups to heavy-duty semis. They are also used in a variety of other vehicles, such as cars, buses and SUVs.

- **Bell crank assembly**

The Bell Crank Assembly is used on all Multi Axle Trucks. The bell crank assembly is a mechanical device that is used to change the direction of a force. It is typically made up of a lever that is pivoted in the middle and two arms that are attached to the ends of the lever. The bell crank assembly is used in a variety of applications, including in the suspension systems of trucks.

In a truck suspension system, the bell crank assembly is used to transmit the force from the axle to the shock absorber. This helps to dampen the vibrations from the road and improve the ride quality of the truck.

One of the key player in this segment includes Kems Auto Components Ltd.

- **Anti-roll bar**

The anti-roll bar, also known as the stabiliser bar or sway bar, is a suspension component that helps reduce body roll in a truck. Body roll is the tendency of the truck to lean to the side when it is cornering or turning. Anti-roll bars help reduce body roll by connecting the opposite wheels of the truck together. When one wheel of the truck is raised, the anti-roll bar twists and applies a force to the opposite wheel, pushing it down. This helps to keep the truck level and reduces body roll.

Anti-roll bars are used in all types of trucks, from light-duty pickups to heavy-duty semis. They are also used in a variety of other vehicles, such as cars, buses and SUVs.

One of the key player in this segment includes Jamna Auto Industries Ltd.

- **Stabiliser bar assembly**

The anti-roll bar assembly, also known as the stabiliser bar assembly or sway bar assembly, is a suspension component that helps reduce body roll in a truck. Body roll is the tendency of the truck to lean to the side when it is cornering or turning. Anti-roll bar assemblies help reduce body roll by connecting the opposite wheels of the truck together. When one wheel of the truck is raised, the anti-roll bar assembly twists and applies a force to the opposite wheel, pushing it down. This helps keep the truck level and reduces body roll.

- **Trunnion pin**

The trunnion pin is a component of the suspension system in a truck. It is a cylindrical tube that connects the axle to the suspension hanger. The trunnion pin allows the axle to pivot and move up and down, which helps absorb the bumps and vibrations from the road. Trunnion pins are used on all heavy vehicles which have Bogie Suspension.

- **Bevel Gear Assemblies**

A differential assembly plays an integral role in how a vehicle turns. It is designed to drive a pair of wheels while allowing them to rotateat different speeds. Differential gears/assemblies find application in passenger vehicles (PV), commercial vehicles (CV), tractors, and construction equipment.

C. Tractor components

- **PTO and main shafts**

The PTO Shafts are used on Tractors in their Gear Box and this Shaft allows to drive the various types of implements which Tractor uses which is connected through PTO.

- **ARM hydraulic lift ram**

The ARM hydraulic lift ram is the part of Tractor's lifting devise. All the implements used on Tractor have to be lifted according to its usage.

- **Assembly stub axle**
-

The spindle Front axle is used on the Front Axle of the Tractor. The one end of the Stub Axle is connected on the Hub and the other is connected to the Steering.

- **Rock shaft**

The Rock Shaft or Hydraulic Lift Shaft is used on the Tractors and they form part of the lifting arrangements. These are splined shafts and the center spline of the shafts is fitted on the Hydraulic Lift Arms.

- **Assembly control spring**

The assembly control spring in an aggregate of few forged parts along with the coil spring. This assembly is also used on the Tractor's lifting arrangements.

Peer comparison

Key financial parameters

Company	Fiscal Year	Operating income (Rs million)	Operating Income 4 Year CAGR (FY19-FY23)	Operating Ebitda (Rs million)	PAT (Rs million)	Operating Ebitda margin (%)	PAT margin (%)	ROCE (%)	ROE (%)	Debt to equity
Kross Ltd	2024	6,202.50	20.59%	807.58	448.81	13.02%	7.22%	28.15%	30.57%	0.80x
York Transport Equipment (India) Private Ltd	2023	8,672.18	17.23%	1,087.16	835.79	12.54%	9.64%	44.25%	38.33%	0.00x
RSB Transmissions (I) Ltd	2023	28,743.95	9.95%	3,963.64	1,651.55	13.79%	5.75%	37.71%	36.03%	1.22x
Ramkrishna Forgings Ltd	2024	39,548.83	13.40%	8,400.40	3,414.35	21.24%	8.57%	15.00%	12.72%	0.42x
Talbros Automotive Components Ltd	2024	7,782.67	7.60%	1,146.52	1,099.76	14.73%	13.91%	17.56%	20.47%	0.16x
Sunstar Precision Forge Ltd	2023	3,119.58	9.22%	407.04	240.07	13.05%	7.70%	22.96%	18.33%	0.33x
Kems Auto Components Ltd	2023	2,729.25	-9.19%	133.53	96.43	4.89%	3.53%	23.90%	21.71%	0.88x
Mahabal Auto Ancillaries Private Ltd	2023	3,595.42	9.92%	523.29	273.27	14.55%	7.60%	22.75%	18.08%	0.17x
Jamna Auto Industries Ltd	2024	24,267.73	2.16%	3,272.84	2,054.15	13.49%	8.45%	26.75%	22.74%	0.18x

Note:

1. *Consolidated figures used wherever applicable - RSB Transmissions (I) Ltd, Ramkrishna Forgings Ltd, Talbros Automotive Components Ltd, Kems Auto Components Ltd, Jamna Auto Industries Ltd*
2. *Financial information sourced from latest financials available on MCA as on 14th August 2024*
3. *Operating EBITDA is calculated as profit/ (loss) for the year less exceptional items, share of profit of joint ventures and other income plus finance costs, depreciation and amortisation, and total income tax expenses*
4. *Operating EBITDA Margin is calculated as EBITDA divided by Revenue from operations*
5. *PAT Margin is calculated as profit/ (loss) for the year divided by total income*
6. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus total borrowings plus deferred tax liability plus lease liability while EBIT is calculated as EBITDA plus other income and share of profit of joint ventures less depreciation and amortization*
7. *Return on Equity is calculated as profit/ (loss) for the year (Excluding share of minority in profits) divided by total equity (Excluding non-controlling interest)*
8. *Debt/Equity is calculated as total debt (including current and non-current borrowings) divided by total equity*

Source: MCA, CRISIL MI&A CONSULTING

Kross Ltd

Established in 1991, Kross Ltd. is a prominent manufacturer of a wide range of forged and machined components in India, with a growing export presence globally. It manufactures a wide range of high performance and safety critical components for the commercial vehicle and tractor segment.

Kross Ltd is widely recognized as one of the prominent manufacturers of trailer axles & suspension assembly in India. It is one of the few players domestically, with the competency to manufacture trailer axles and suspension assembly-in house. The company has witnessed robust growth between fiscal 2021 and fiscal 2024, enabling the company to compete with major trailer axle manufacturers such as York Transport Equipment Pvt Ltd and BPW Trailer Systems India Pvt Ltd. The company utilises the latest design and manufacturing in developing products, thus enabling it to become one of the fastest growing player in the organised trailer axle manufacturing industry.

Kross Ltd. has a diversified product portfolio catering to the commercial vehicle and tractor industry. Key products manufactured by the company are companion flanges, axle shafts, rear end spindles, anti-roll bars, differential spiders, inter-axle kits, suspension linkages, universal joints and crosses, pole wheels, scam shafts and variety of tractor parts for the hydraulic lift arrangement, PTO shafts, and spindle front axles. Kross Ltd. is also a prominent manufacturer of differential spiders in the MH&CV segment.

Threats and Challenges

Demand Side Challenges

Market Fluctuations

Impact on Sales and Production: The Automotive Industry and within it the commercial vehicles and tractors 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 commercial vehicle and tractor sales. When the economy contracts, businesses often delay or reduce investments in new vehicles, leading to a drop in orders for forging and machining components. This contraction forces manufacturers to cut back on production, affecting their revenue streams and profitability.

Above or below normal monsoons

Within the Economic spectrum, the tractors and commercial vehicle industry is very closely linked to the output of the agricultural and manufacturing sectors. While the Agricultural sector has a direct dependence on the normalcy of monsoon, the manufacturing sector too, is indirectly impacted by monsoon performance both on demand as well as supply side across various sub-segments of 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 tractors and commercial vehicles and in turn for forged and machined component 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 hikes 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.

Technological Advancements

Innovation: Rapid advancements in technology can render existing products obsolete, requiring continuous innovation.

Adoption Rates: Slow adoption of new technologies by consumers can delay market growth and majorly in the tractor industry due to less awareness among the customers.

Pricing Pressure

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.

Discounting: The need to offer discounts or promotions to stimulate demand can affect profitability.

Distribution Network

Channel Partners: Dependence on distributors and retailers can affect market reach and sales performance.

Supply Chain Integration: Inefficiencies in the distribution network can impact the ability to meet market demand promptly.

Supply Side Challenges

Raw Material Availability and Costs

Cost Management: Fluctuating prices of raw materials like metals and plastic pose significant challenges to managing costs. A sudden spike in prices, such as the increase in metal prices, can erode profit margins and make it difficult to offer competitive pricing to customers. Component manufacturers must either absorb these costs, reducing profitability, or pass them on to customers, potentially losing business to cheaper alternatives.

Supply Chain Disruptions: Long lead time, chip shortage and geopolitical tensions 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.

Labor Issues

Skilled labor is one of the most important supply side aspects in the manufacturing sector. Training and retaining skilled workers in areas such as electrical engineering, soldering, and assembly Industry is a key driving factor for success of any segment of the industry including Automotive components.

Thus, inadequate availability of skilled labor can be one of the significant challenges impacting the automotive components 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.

Technological Challenges

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. Rapid technological advancements may render existing equipment and processes obsolete.

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.

Logistics and Transportation

Freight Costs: Rising costs of transportation and logistics can affect overall expenses.

Infrastructure Issues: Poor transportation infrastructure can delay the supply of raw materials and distribution of finished goods.

Supplier Diversification

Risk Management: Balancing the need for multiple suppliers to mitigate risk against the complexity and costs of managing a diverse supplier base.

OUR BUSINESS

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled "Forward-Looking Statements" on page 17 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 27 and 305, respectively of this Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the CRISIL Report which has been commissioned and purchased by us in connection with the Offer. Unless otherwise indicated, all 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 year. The CRISIL Report will be available on the website of our Company from the date of this Red Herring Prospectus. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that has been left out or changed in any manner. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 16.

Certain non-GAAP financial information are presented below for supplemental informational purposes only. These have limitations as analytical tools and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled non-GAAP measures used by other companies. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation of these non-GAAP measures are provided in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 305 for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures and to not rely on any single financial measure to evaluate our business.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Restated Financial Information. For further information, see section entitled "Restated Financial Information" beginning on page 253. Unless otherwise stated, references in this section to "the Company", "our Company", "we", "us", and "our" are to Kross Limited.

Overview

We are a diversified player focused on manufacturing and supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and heavy commercial vehicles ("**M&HCV**") and farm equipment segments. We are widely recognized as one of the prominent manufacturers of trailer axles and suspension assembly in India *(Source: CRISIL Report).* In 2019, we commenced manufacture and sale of trailer axle and suspension assemblies and have witnessed robust growth between Fiscal 2021 and Fiscal 2024 *(Source: CRISIL Report).* We have become one of the fastest growing player in the organised trailer axle manufacturing industry competing with major trailer axle manufacturers *(Source: CRISIL Report).* With over three decades of experience, we rely on our product development capabilities to design and deliver proprietary products such as trailer axle and suspension assembly. We are one of the few players domestically, with the competency to manufacture trailer axles and suspension assembly in-house *(Source: CRISIL Report).* Set out below are the revenues generated from various end-use industries and as a percentage of our revenue from sale of products:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
M&HCV*	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%

Farm Equipment	559.60	9.02%	592.73	12.13%	546.52	18.37%
Other Component/ Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

**M&HCV includes trailer axle and suspensions*

With a diversified portfolio of high performance and safety critical components for the M&HCV and farm equipment segments, we are a specialist in manufacturing of safety critical components for M&HCV segment which include axle shafts, companion flanges, anti-roll bars and stabilizer bar assembly, suspension linkages, differential spiders, bevel gears, planet carriers, inter-axle kits, rear end spindles, pole wheels and wide variety of tractor components for the hydraulic lift arrangement, power take-off ("**PTO**") shafts and front axle spindles.

We supply our products to a diversified client base which includes large original equipment manufacturers ("**OEMs**") manufacturing M&HCV and tractors, tier one suppliers to the OEMs in the M&HCV segment domestic dealers and fabricators for our trailer axle and suspension business. In the past we have been recognized by customers for the high-quality of the products supplied by us, which is one of the factors that has helped us establish long term relationships with several large domestic and global OEMs, including, Ashok Leyland Limited, a leading Indian automobile OEM and a Indian farm equipment OEM, each of whom we have been associated with for a period of more than 18 years and Tata International DLT Private Limited with whom we have been associated since 2019. Due to our track record and diverse product portfolio, we have also been able to attract new customers such as Leax Falun AB and a Japan based OEM manufacturing commercial vehicles. We have also commenced our bulk exports to Leax Falun AB, a Sweden based company manufacturing propeller shafts for commercial vehicle OEMs, in August 2023 with supplies of Universal Joint Crosses and are in stages of validation for other critical parts.

We are backward integrated with design, process engineering, forging, casting and machining capabilities which allows us greater control over process, timelines, pricing and quality. We believe that our in-house design capabilities have been instrumental in our success by allowing us to work closely with customers for design and development of high performance and safety-critical components and assemblies, such as, anti-roll bars and stabiliser bars, where we along with the OEM's design team, conceptualised the design and framework of the product. For our trailer axles and suspension assemblies, we are also forward integrated with a network of sales and service locations across key states in India, as of the date of this Red Herring Prospectus. Design, technology used for development, backward integration and after-sale service provided are crucial aspects for trailer axle manufacturers *(Source: CRISIL Report).* For our trailer axle and suspension assembly business, we operate our service on a mobile and on road basis, where once a complaint is registered by the customer, our service associate is deployed to the location of origin of the compliant to resolve the same. We have a custom service software developed by Sales force which gives us accurate tracking of service complaints as well as service history of the vehicle.

We operate out of five manufacturing facilities in Jamshedpur, Jharkhand, equipped with (i) forging presses and upsetters equipped with induction billet heaters, (ii) foundry with a high pressure mould line, (iii) high-precision machining equipment such as turning centres, vertical and horizontal milling centres, grinding, broaching, hobbing, shaping and robotic welding, (iv) in-house cathodic electro-disposition plant ("**CED Plant**"), powder coating, spray painting and (v) heat treatment furnaces and induction hardening equipment. Our manufacturing facilities (Units I, II, III, IV and V) have obtained ISO 9001:2015 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH and IATF 16949:2016 quality certifications for manufacture of axle shafts, universal joints (for steering and propeller shaft), differential spiders, companion flanges, anti-roll bar, bevel kit assembly and trailer axle assembly from TÜV NORD CERT GmbH. Additionally, our Unit III manufacturing facility has also obtained ISO 14001:2015 for manufacture of axle shaft, universal joints and propeller shaft parts, differential spiders, companion flanges, bevel kit assemble and CED coating from TÜV NORD CERT GmbH and ISO 45001:2018 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH.

We currently manufacture a large variety of components and have the capacity to manufacture forged parts of up to 40 kg input weight. We enhanced our backward integration capabilities by establishing a new casting facility at Unit V, setting up a high-pressure mould line foundry along with a machine shop. We are in the process of expanding our capacity and increasing our product offerings through the expansion of our existing facilities, through the addition of further production lines, which will allow us to produce a new line of parts such as the hydraulic cover for tractors and in-house machining line of hubs and brake drums. For further details of the proposed expansion, see "*Objects of the Offer – Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment*" on page 108.

Our Chairman and Managing Director, Sudhir Rai, has been an integral part in the establishment and growth of our Company and with over three decades of experience in the automotive component manufacturing industry, and has been instrumental in our continued growth. Most of the Key Management Personnel and the Senior Management Personnel of the Company have also been associated with us for more than a decade and have contributed to the growth of the Company through their commitment and expertise. We believe our experienced and dedicated senior management team also enables us to identify market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Our key performance indicators for the last three Fiscals are as follows:

Particulars	As of/ For the year ended March 31,		
	2024	2023	2022
Revenue from Operations (₹ million)	6,202.50	4,886.28	2,974.55
Total Income (₹ million)	6,214.64	4,893.57	2,978.81
Gross Profit (₹ million)(1)	2,643.47	1,989.19	1,371.69
Gross Margin (%)(2)	42.62%	40.71%	46.11%
EBITDA (₹ million)(3)	807.58	575.22	295.48
EBITDA Margin (%)(4)	13.02%	11.77%	9.93%
Restated Profit Before Tax (₹ million)	612.90	417.10	163.10
Restated Profit for the year (₹ million)	448.81	309.31	121.69
PAT Margin (%)(5)	7.22%	6.32%	4.09%
Return on Equity (%)(6)	30.57%	30.29%	16.81%
Return on Capital Employed (%)(7)	28.15%	27.51%	14.97%
Gross Block (i.e. cost of property, plant and equipment right of use assets, capital work-in-progress and cost of intangible assets) (₹ million)	1,678.68	1,398.34	1,222.97
Gross Fixed Assets Turnover Ratio (in times)(8)	3.69	3.49	2.43
Net Debt to EBITDA (in times)(9)	1.33	1.29	2.89

Notes:

1. *Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus changes in inventories of finished products and work in progress.*
2. *Gross Margin is calculated as gross profit divided by Revenue from Operations.*
3. *EBITDA is calculated as restated profit for the year minus other income plus finance costs, depreciation and amortisation expense and total tax expense.*
4. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
5. *PAT Margin is calculated as restated profit for the year divided by total income.*
6. *Return on Equity is calculated as restated profit for the year divided by total equity.*
7. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus deferred tax liability plus lease liabilities (current and non-current) plus total borrowings while EBIT is calculated as restated profit for the year plus total tax expense plus finance costs.*
8. *Gross Fixed Assets Turnover Ratio is calculated as revenue from operations divided by Gross Block as at the end of the year.*
9. *Net Debt to EBITDA is calculated as net debt divided by EBITDA. Net Debt is calculated as total of non-current borrowings and current borrowings (including lease liabilities) minus total of cash and cash equivalents and bank balances.*

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures*" on page 322.

Competitive Strengths

Long standing relationship with large OEMs and their tier one suppliers, domestic dealers and fabricators for our trailer axle and suspension business complemented by a diversified network of dealers for our trailer axle and suspension assembly business

In over three decades of our operations, we have established long-standing relationships with several well established Indian and global customers like OEMs Ashok Leyland Limited, Tata International DLT Private Limited, a leading Indian automobile OEM, a leading Indian farm equipment OEM, and global Tier I supplier for auto components. Our diversified product portfolio helps us cater to the requirements of a broad spectrum of customers which includes marquee domestic and global OEMs for the M&HCV segment and their Tier 1 suppliers, domestic dealers and fabricators for our trailer axle and suspension business and in the last three fiscals, we have served over 200 customers. We believe that the strength of our customer relationships is attributable to our ability to customize to customer specifications and requirements, as well as our track record of consistent delivery of quality and cost-effective products and solutions over the years. We partner with our key customers at various stages of product development, commencing from product design, validation and testing up to final manufacturing and delivery. This helps us understand customer requirements and future plans better, enabling us to forecast, plan and manufacture our products accordingly, thereby resulting in business optimization, improved productivity, efficiency and margins.

Set out in the table below are our revenues from operations from our top three and top five customers, based on our Restated Financial Information during the Fiscals 2024, 2023 and 2022:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (in ₹ million)	**% of total revenue from operations**	**Amount (in ₹ million)**	**% of total revenue from operations**	**Amount (in ₹ million)**	**% of total revenue from operations**
Top three customers	3,086.03	49.75%	2,467.77	50.50%	1,620.91	54.49%
Top five customers	4,095.19	66.02%	3,340.95	68.37%	2,096.27	70.47%

Over the years, for various OEM customers, we have developed relationships and received orders for a variety of products, including through our efforts to cross sell different products to our customers. Our manufacturing, designing and testing capabilities coupled with our diversified product portfolio has helped us develop and maintain long-term relationships with our customers. We believe that our long-standing relationships with our customers is also a result of the criticality, volume, and type of components we supply to them. Our proven track record and diverse product portfolio has helped us in attracting new customers such as Leax Falun AB and a Japanese OEM commercial vehicle manufacturer. We have already commenced our bulk exports to Leax Falun AB in August 2023 with bulk supplies of Universal Joint Crosses and are in stages of validation for other critical parts.

We have been recognized by our customers as a key supplier and were awarded the Silver award in Best Performance in Business Alignment by Ashok Leyland in 2023 and Durafit Range best vendor award for demand fulfilment east (2020-21) by Tata Genuine Parts at the Vendor Impact Programme 2021.

For our trailer axle and suspension business, we also have a diverse network of trailer fabricators and dealers to whom we sell our proprietary product. We have entered into exclusive agreements with three dealers, for marketing and sale of our products across identified geographies. As on date of this Red Herring Prospectus, we have a network of sales and service representatives with ability to provide services across key states in India. Our team offers road side assistance to our customers, where once a complaint is registered by the customer, our service associate is deployed to the location of origin of the compliant to resolve the same.

We are widely recognized as one of the prominent manufacturers of trailer axles and suspension assemblies in India and one of the few players domestically with the competency to manufacture trailer axles and suspension assembly in-house

We have evolved from being a manufacturer of precision machined auto components to being a systems manufacturer by entering into manufacture of trailer axles and suspension assemblies in 2019. We have witnessed robust growth between Fiscal 2021 and Fiscal 2024, enabling us to compete with major trailer axle manufacturers *(Source: CRISIL Report).* As per CRISIL, the Commercial Vehicle market is expected to see a constant rise in vehicle tonnage, which is expected to significantly change the industry's landscape. Market dynamics are changing significantly as the industry's average payload rises, especially increasing intensity of trailer axles for CV trucks *(Source: CRISIL Report).*

As on date, our manufacturing capacity was 60,000 trailer axle and suspension assemblies per annum, while for the three month period ended June 30, 2024 we manufactured approximately 10,145 trailer axles and suspension assemblies.

The table below sets out the revenues generated from sale of trailer axle and suspension assemblies and as a percentage of our revenue from operations for the respective periods:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**	

	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation	CAGR for Fiscal 2022 to Fiscal 2024
Trailer axle and suspensions	2,690.50	43.38%	1,628.22	33.32%	668.96	22.49%	100.55%

For further details of our manufacturing capacity and utilisation of our capacities, see "- *Manufacturing facilities and foundry*" on page 215.

Diversified product portfolio with a focus on continuous value addition

We are a diversified player involved in manufacturing and supply of wide range of forging and machined precision components and assemblies. We are widely recognized as a prominent manufacturer of trailer axles and suspension assembly in India and are also a prominent manufacturer of differential spiders in the M&HCV segment (*Source: CRISIL Report*). Further, we are a specialist in manufacturing high precision safety critical components which include companion flanges, axle shafts, rear end spindles, anti-roll bars and stabiliser bar assembly, differential spiders and inter-axle kits, bevel gear assembly, suspension linkages and trunnion pin, universal joints, gear joint assemblies, clutch release forks, pole wheels, input and output shafts, adapter ring gears, planet carrier assembly, cam shafts and wide variety of tractor components for the hydraulic lift arrangement such as control spring assemblies, arm rams, arm hydraulic lifts, PTO shafts and spindle front axles.

In the initial years of our operations, we focused on manufacturing components such as joint crosses and as we gained experience and expanded our engineering capabilities, we forayed into products that required higher levels of precision, strength, and durability. In the last three fiscals, we have offered a diverse suite of products to over 200 customers across M&HCV and farm equipment segments, domestic dealers and fabricators for our trailer axle and suspension business. We offer comprehensive one-stop solutions to our customers including design, process engineering and high precision manufacturing including foundry, heat treatment, fabrication, machining and assembly facilities.

We believe that our engineering and product development capabilities have helped us expand our product offerings by manufacturing complex and high precision products and assemblies. For example, in the last four Fiscals, we started manufacturing and supplying certain new products such as trailer axle, air suspension, mechanical suspension, input and output shafts, planet carrier, anti-roll bars, spline journals and universal cross for exports. We have invested in forging and machining equipment and developed processes and techniques for producing complex components with closed tolerances. We possess a wide range of engineering and product development capabilities, including die-designing, process design, cutting tool selection, and inspection and testing, enabling us to ensure manufacturing of high precision components to required designs and specifications. We currently manufacture a diverse variety of auto components and have the capacity to manufacture forged parts of up to 40 kg input weight.

Integrated manufacturing operations coupled with in-house product and process design capabilities which offer scale, flexibility and comprehensive solutions

We operate out of our five manufacturing facilities in Jamshedpur, Jharkhand which are equipped with capabilities to design, develop and manufacture our diverse product portfolio.

Below are the details of products manufactured at our manufacturing facilities:

Sr. No.	Facility name and address	Type of facility & relevant processes	Products Manufactured
1.	Unit I Plot No M-4, Phase-VI, Adityapur Industrial Area, Gamharia, Jamshedpur	Manufacturing Facility • Machining – CNC turning, VMC, HMC Drilling, Hobbing, Induction Hardening, Hardening Tempering, Case Carburizing, Surface and Spline Broaching, Milling, Grinding • Quality Control • Packing and Dispatch	• Coupling flanges • Differential spiders • Stabilizer bar assembly • Input & output shafts • Adapter ring gears • Carrier annulus • Universal joints • Reaction plates • Clutch release forks

			• Yokes • Gear joint assemblies • Gear shifter forks • Arm rams • PTO shafts • Lift shafts • Spindle front axles • Arm Hydraulic lifts • Shaft lower links • Control spring assembly • Ring gear
2.	Unit II C-78, Phase-III, Adityapur Industrial Area, Gamharia, Jamshedpur	Forging Facility • Upset Forging	No finished products are manufactured at this unit
3.	Unit III B 30-31 & C-78, Phase-III, Adityapur Industrial Area, Gamharia, Jamshedpur	Forging & Manufacturing Facility • Press and upset forging • Shot blasting • Heat treatment • Machining – CNC turning, Rolling, Hobbing, Induction hardening, HMC Drilling • Quality control • Packing and dispatch	• Axle shafts
4.	Unit IV M2(P) 4th Phase, Adityapur Industrial Area, Gamharia, Jamshedpur	Manufacturing Facility • Machining • Assembly unit • Heat Treatment	• Trailer axle & suspension • Planet carrier • Bell crank assemblies • Pole wheels • Bevel gear assembly • Anti roll bars • Rear end spindles • Trunion pin
5.	Unit V Plot no. NS-06, Phase 5, Adityapur Industrial Area, Gamharia, Jamshedpur	Manufacturing Facility • Casting unit	No finished products are produced at this facility. Hubs and brake drums are produced as subassemblies at this facility for trailer axles and suspension systems

We are backward integrated with design, process engineering, forging, casting and machining capabilities which allows us greater control over process, delivery timelines, pricing and quality. This reduces our dependence on third parties, streamlines our production process and improves our operational efficiencies. In addition, it also enables us to maintain control over the entire manufacturing process and also provide better delivery timelines to our customers at a more competitive cost. Further, our backward integration helps us in reacting to emerging trends and develop prototypes in anticipation of the same. We believe that our in-house design capabilities have been instrumental in our success by allowing us to work closely with customers for design and development of safety-critical components and assemblies, such as, anti-roll bars and stabiliser bars, where we along with the OEM’s design team, conceptualised the design and framework of the product.

Our manufacturing processes, which primarily include die-designing, forging, casting, heat treatment, machining and inspection and testing, are undertaken in-house. This enables us to meet customer requirements or modifications to product specifications without relying on external vendors for job work. As a result, we can closely monitor product quality, control production expenses, and plan delivery schedules. Further, our in-house die design capabilities and advanced manufacturing facilities enable us to produce high-precision and complex components with closed tolerances. Our die manufacturing is equipped with high-speed CNC VMCs. We have computer-aided design and computer aided manufacturing packages, software packages which help us create three dimensional (“**3D**”) models and we also have simulation software which enables us to simulate and manufacture with higher accuracy. Further, to maintain product quality, we use metallurgical testing equipment for elemental and material composition analysis, microstructure analysis, and mechanical properties testing, and perform non-destructive testing to detect surface cracks and defects.

Our ability to deliver high precision multi-purpose products is significantly enhanced by our design and new product development team situated at our manufacturing facilities in Jamshedpur, Jharkhand. As of June 30, 2024, our design and new product development team aggregated 22 employees, our product development capabilities are supported by design and development tools such as CAD/CAM software, forging simulation software, finite element analysis ("**FEA**"). With over three decades of experience, we rely on our product development capabilities and technical knowhow to develop and deliver proprietary products such as trailer axle and suspension, that have received market acceptance. Our product development team focuses on continually developing and customising our products and solutions. Further, our manufacturing facilities (Units I, II, III, IV and V) have obtained ISO 9001:2015 for manufacture of axle shaft, PTO shaft, rock shaft, ring gear, hubs and other ferrous parts from TÜV NORD CERT GmbH and IATF 16949:2016 quality certifications for manufacture of axle shafts, universal joints, propeller shaft parts, differential spiders, companion flanges, anti roll bar, bevel kit assembly, trailer axle assembly, hubs, brake drum and other ferrous parts from TÜV NORD CERT GmbH. Additionally, our Unit III manufacturing facility has also obtained ISO 14001:2015 for manufacture of axle shaft, universal joints and propeller shaft parts, differential spiders, companion flanges, bevel kit assemble and CED coating from TÜV NORD CERT GmbH and ISO 45001:2018 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH.

In line with our focus on bringing in operational efficiency, our manufacturing operations involve a degree of automation, and accordingly reducing the margin of error and inefficiencies typically associated with manufacturing processes operated manually. In addition, our extensive equipment and degree of automation has helped us to maintain our cost efficiency. Further, in order to enhance our backward integration capabilities, we intend to utilize part of the proceeds from the Offer towards funding of capital expenditure. For further details, please refer the section "*Objects of the Offer*" on page 107. We also intend to expand into axle beam extrusion and backward integrate into seamless tube. For further details, please refer the section "*Objects of the Offer*" on page 107.

With our manufacturing capabilities, enabled by capital expenditure undertaken by us in the earlier years of our business, we have the ability to provide comprehensive solutions for our customers. Our ability to manufacture high quality, intricate and safety critical products and components, may also be an entry barrier for other manufacturers that do not currently have such similar in-house engineering capabilities and production facilities. For further details, please refer *to* "*– Our Products Portfolio*" on page 206.

Experienced Promoters supported by a management and execution team with proven track record

We are led by an experienced management team that we believe has the expertise and vision to manage and grow our business. Our Chairman and Managing Director, Sudhir Rai, has been an integral part in the establishment and growth of our Company and with over three decades of experience in the automotive industry, and has been instrumental in our continued growth. Our business operations are led by Sumeet Rai, Promoter and whole time Director, our commercial portfolio is led by Kunal Rai, Promoter and whole time Director (Finance) and CFO, both of whom have over 9 years of experience in the automotive industry and our stores, supply chain and procurement are led by Anita Rai, Promoter and whole time Director and who has been associated with us since incorporation.

We also benefit from the experience of our Independent Directors, some of whom are professionals with extensive experience in manufacturing industries. Our Board of Directors is ably supported by a strong and long-standing management team comprising of K Suresh Babu, General Manager (Operation), Sandeep Kumar, General Manager (Sales), Ranjan Kumar Sarkar, General Manager (Forging) and Pawan Mehar, AGM-Quality, each of whom have experience in various fields ranging from operations, new product development to marketing. The extensive experience, skills and knowledge of our senior management is a key to our business growth. Our experienced and dedicated management team also guide and assist us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

We also attribute our growth in part to our initiatives relating to the development of our human resources, by planning and executing recruitment, training and retention of our employee base. We believe that the knowledge and experience of our Promoters, along with senior and middle-management, and our team of sales and marketing employees provide us with a competitive advantage as we seek to expand in our existing markets and enter new geographic markets. As of June 30, 2024, we had 528 permanent employees and 1,661 contractual employees. For details of the training initiatives and other programs undertaken by our Company for our employees, see "*– Employees*" on page 221.

We invest substantial resources towards employee training and development enables us to scale our operations while leveraging our existing employees.

Track record of sustained growth and robust financial performance in the last three financial years

We have established a track of consistent revenue growth and profitability. The table below sets forth some of key financial information and ratios for the Fiscals 2024, 2023 and 2022:

(₹ in million except percentage data)

Particulars	Financial Year 2024	Financial Year 2023	Financial Year 2022	CAGR (Fiscal 2022 to Fiscal 2024) %
Total income	6,214.64	4,893.57	2,978.81	44.44%
Gross profit	2,643.47	1989.19	1371.69	38.82%
Gross margin (%)	42.62	40.71	46.11	N.A
EBITDA	807.58	575.22	295.48	65.32%
EBITDA margin (%)	13.02	11.77	9.93	N.A
PAT	448.81	309.31	121.69	92.05%
PAT margin (%)	7.22	6.32	4.09	N.A

Note:

1. *Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus changes in inventories of finished products and work in progress.*
2. *Gross Margin is calculated as gross profit divided by Revenue from Operations.*
3. *EBITDA is calculated as restated profit for the year minus other income plus finance costs, depreciation and amortisation expense and total tax expense.*
4. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
5. *PAT Margin is calculated as restated profit for the year divided by total income.*

According to CRISIL Report, we were one of the fastest growing player in the organised trailer axle manufacturing industry. For further details, see "*Industry Overview – Peer Comparison*" beginning on page 191.

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures*" on page 322.

Strategies

Expand capacities at our existing manufacturing facilities to increase manufacturing scale for our existing products and creation of new products

Due to the growth in our business and operations, our manufacturing units have been operating over 68% utilisation for each of Fiscal 2024, Fiscal 2023 and Fiscal 2022. In each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, our capacity utilization at three of our manufacturing units at Jamshedpur, Jharkhand was as follows:

Facility	Product	Fiscal 2024			Fiscal 2023			Fiscal 2022		
		Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)
Unit I	Coupling Flanges	780,000	654,731	83.94%	750,000	593,623	79.15%	576,000	432,180	75.03%
	Differential Spiders	260,000	181,632	69.86%	260,000	216,224	83.16%	228,000	192,982	84.64%
Unit III	Axle Shafts	270,000	221,771	82.14%	240,000	195,050	81.27%	216,000	172,330	79.78%
Unit IV	Trailer Axle & Suspension	60,000	40,929	68.22%	30,500	26,479	86.82%	15,000	13,190	87.93%
	Bell	42,000	33,051	78.69%	38,400	32,612	84.93%	28,000	23,726	84.74%

Facility	Product	Fiscal 2024			Fiscal 2023			Fiscal 2022		
		Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)
	Crank Assembly									
	Anti Roll Bars & Stabilizer Bar Assembly	100,000	81,303	81.30%	72,000	50,200	69.72%	45,000	33,600	74.67%

Notes:

1. *Installed capacity represents the installed capacity as of the last date of the relevant fiscal*
2. *Assumptions and estimates taken into account for measuring installed capacities include 300 working days in a year, at 3 shifts per day operating for 8 hours a day*
3. *Production represents the quantum of production in the relevant manufacturing facility in the relevant Fiscal*
4. *Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the annual available capacity during such Fiscal*
5. *Only select key products have been included as part of the table above.*
6. *MT represents metric tonne*
7. *Capacity utilisation for Unit II and Unit V has not been included as these units do not produce finished goods*

We have in the past, invested significant amounts towards capital expenditure in order to expand our manufacturing capacities. In each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, we invested ₹ 271.30 million, ₹ 185.95 million and ₹ 123.18 million, representing 4.37%, 3.81% and 4.14% of our revenue from operations for the respective periods, towards capital expenditure.

As part of our growth strategy, we intend to continue to invest in creation of additional capacities, both for our existing products as well as for creation of new products. Towards this end, we intend to utilise an amount of ₹ 700.00 million from the Net Proceeds towards expansion of our existing manufacturing units through funding of capital expenditure requirements of our Company towards purchase of machinery and equipment. Specifically, we intend to expand our casting plant through the addition of further production lines, which will allow us to produce new line of parts such as the hydraulic cover for tractors. We may also commence sale of castings, in event of excess capacities. For further details, see "*Objects of the Offer – Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment*" on page 108.

We also intend to enhance our capabilities in machining processes so that we can do in-house machining of hubs and brake drum and increase the share of value-added and high-margin components. From its first supply of universal joints to and Indian global OEM automobile manufacturer in the year 1996, our Company has diversified into several different product segments and customers. The components being manufactured for the M&HCV and farm equipment segments along with the contribution to sales for the Fiscals 2024, 2023 and 2022 is as mentioned below:

Key products	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation
Trailer axle and suspensions	2,690.50	43.38%	1,628.22	33.32%	668.96	22.49%
Axle shafts	663.45	10.70%	577.04	11.81%	387.68	13.03%
Coupling flanges	519.26	8.37%	436.89	8.94%	275.81	9.27%
Anti roll bar and stabiliser bar	510.33	8.23%	396.26	8.11%	175.13	5.89%
Bell crank assembly	282.21	4.55%	279.08	5.71%	198.54	6.67%
Trunion pin	88.86	1.43%	97.13	1.99%	81.73	2.75%
Differential spiders	104.70	1.69%	126.16	2.58%	101.41	3.41%
Tractor parts	550.78	8.88%	592.73	12.13%	546.52	18.37%

We intend to install a new casting line which will have be capable of making bigger castings such as hydraulic lift covers for the tractor industry as compared to our existing casting line which has a box size of

710*710*250/300 mm suitable for making brake drums and hubs. We are also investing in in-house machining capabilities for hubs and brake drums which include CNC, VMC and CNC Vertical Lathe Machine. These castings have large amounts of scrap generated during machining which can be re used in the casting process. We believe this expansion of the in-house machining capabilities will help improve our margins and profitability.

The installation of new machinery and equipment will enable us to increase our production capacity, scale our operations, onboard new customers, introduce new products, and better serve our existing customers.

Create manufacturing capabilities in axle beam extrusion and backward integration capabilities into the seamless tube

As per CRISIL, the Commercial Vehicle market is expected to see a constant rise in vehicle tonnage, which is expected to significantly change the industry's landscape. Market dynamics are changing significantly as the industry's average payload rises, especially increasing intensity of trailer axles for CV trucks *(Source: CRISIL Report).* A major aggregate in the trailer axle is the beam with spindle ends. In India, this is currently being manufactured by welding two C-Section to form a square and the end spindles are then welded on to the beam. However, in other jurisdictions, a different process is followed where ends of the seamless tube of the required thickness are heated, and the spindles are extruded at both ends simultaneously. (*Source: CRISIL Report)* This process is a single piece construction, and no welding is required, hence, benefiting the durability and providing cost efficiently.

As a part of our growth strategy, our Company seeks to pursue emerging opportunities, including axle beam extrusion and seamless tube manufacturing processes which would allow us to further backward integrate our operations and reduce our dependence on external vendors, enabling us to further reduce production costs.

In order to further enhance our backward integration capabilities, we intend to utilize part of the proceeds from the Offer towards funding of capital expenditure for expansion of axle beam extrusion. For further details, please refer the section "*Objects of the Offer*" on page 107. Further, we may also seek to set up a seamless tube mill in future, which would allow us to improve sourcing efficiencies and control costs. We continue to focus on further integrating our operations and benefit from economies of scale and improve operating margins. Further, these expansions may also allow us to benefit from expansion into product categories like TAG axles where we are not currently present. For instance, our Company is already in receipt of letter of intents for carrying out the development, manufacture, testing and validation and supply of TAG axles from few OEMs.

Our annualized installed capacity for trailer axle and suspension assemblies is 60,000 per annum as on date. For details of capacity utilisation for the three month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022, see "- *Installed Capacity and Capacity Utilization*" on page 216. We intend to enhance our production capacity through additional capital expenditure in our existing manufacturing facilities to accommodate the rapidly expanding trailer axle and suspension assembly business and its needs.

Expand our geographical reach through growing exports

While our revenue from operations have grown at a CAGR of 44.40% between Fiscal 2022 and Fiscal 2024, we have been predominantly focussed on domestic market with exports contributing to less than 1.50% of our revenue from operations in each of the Fiscal 2024, Fiscal 2023 and Fiscal 2022.

We aim to leverage our diverse product portfolio, customer acceptance in domestic markets and backward integrated manufacturing facilities to expand into international markets. We believe that as we increase our exports to international markets, we will be able to increase our addressable market, expand our geographical footprint and improve our profitability. Furthermore, our strategy of diversifying our revenue base and expanding our geographical footprint helps us mitigate the risks associated with economic fluctuations in any one region and our high dependence on select customers.

We have been working with a Sweden based company, Leax Falun AB and a Japanese OEM commercial vehicle manufacturer and have received purchase order for six product segments from Leax Falun AB which are universal joint cross, cross tooth flange, spline journal, tube yokes and spline sleeves. Our bulk supplies for Universal Joint crosses have already commenced since August 2023 and other parts are under validation. Similarly, for the Japanese OEM commercial vehicle manufacturer, we have developed and submitted samples and prototypes for planet carrier, sleeve gears, input shafts, and differential spiders.

Continuing focus on reduce operating costs and improving operational efficiency

We aim to continuously improve profitability by constant cost optimization, leveraging our backward integration capabilities and increasing capacity utilization. We also constantly aim to identify opportunities to implement product improvements and dedicated research and development resources to optimize production processes. For instance:

- *Backward integration capabilities:* Our backward integrated manufacturing facilities in forgings, machining and castings gives us a competitive edge on pricing and quality. To further enhance our backward integration capabilities, we intend to utilize part of the proceeds from the Offer towards funding of capital expenditure for expansion of axle beam extrusion. For further details, see "*Objects of the Offer – Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment*" on page 108. We are also considering further backward integrating into seamless tube which, we believe, will help us further optimize our raw material costs.

- *High-precision machining facilities:* Our manufacturing facilities are equipped with high-precision machining facilities such as heat treatment, turning centres, vertical and horizontal milling centres, CNC grinding, broaching, hobbing, shaping, and robotic welding. We have also built R&D capabilities and technical knowhow to develop and deliver proprietary products such as trailer axle and suspension, that have received market acceptance. We have invested in computer-aided design and computer aided manufacturing packages which help us create 3D models of the dies and we also have simulation software which enables us to simulate and manufacture our dies with higher accuracy.

- *Automation:* In line with our focus on bringing in operational efficiency, our manufacturing operations involve a degree of automation, and accordingly reducing the margin of error and inefficiencies typically associated with manufacturing processes operated manually. In addition, our extensive equipment and degree of automation has helped us to maintain our cost efficiency.

- *Reducing lead time in manufacturing:* We are continuously working to make our manufacturing processes more efficient by creating cells for a product family. This minimises material movement within the plant and leads to production efficiency.

Quality control and assurance are our key focus areas in the manufacturing process. We continuously evaluate the cost-benefit of our operations so that we can focus our efforts on delivering the best quality products. Further, we believe our large size and scale also enables us to produce greater volumes of products from our facilities and spread our fixed costs more widely to reduce our production costs on a per unit basis, allowing us to reduce our unit sales price and increase our competitiveness.

We are committed to further optimize production processes, by improving engineering capability, debottlenecking our critical production processes, increasing the flexibility of our manufacturing system and minimizing scrap during production. We believe that our advanced manufacturing facility and R&D capabilities, along with our ongoing expansion efforts, will help us reduce production cost, increase production and achieve economies of scale.

Improve our financial profile

Since we operate in a capital-intensive industry, a significant amount of working capital is required to finance the purchase of materials and the performance of manufacturing and other work before payment is received from customers. As on March 31, 2024, March 31, 2023 and March 31, 2022, our working capital requirement ₹ 1,463.73 million, ₹ 870.96 million and ₹ 829.42 million, respectively. For further details, see "*Objects of the Offer – Funding working capital requirements of the Company*" on page 121.

We finance our capital requirements through a mix of borrowings and internal accruals. Towards maintenance of adequate levels of working capital, which is in line with our expectations of growth in our business, we intend to fund ₹ 300.00 million from the Net Proceeds towards our working capital requirements in the coming Fiscals. For further details, see "*Objects of the Offer – Funding working capital requirements of the Company*" on page 121. As of June 30, 2024, our outstanding borrowings (excluding vehicle loans and non-fund based borrowings) was ₹ 1,235.54 million, including secured and unsecured non-current and current borrowings.

In keeping with our objective of increasing our capacities in existing product segments and entering into newer products, we are seeking to reduce our overall levels of borrowing, including utilisation of ₹ 900.00 million from the Net Proceeds of the Offer toward repayment and/or prepayment of certain of our existing borrowings. We believe that deleveraging our balance sheet will allow to utilise further internal accruals towards any incremental capital expenditure requirements including for any further backward integration proposed, such as the creation of a seamless tube mill. For further details on our objective of repayment of loans, please see "*Objects of the Offer – Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company from banks and financial institutions*" on page 113.

Our Products Portfolio

We are primarily engaged in manufacture and supply of tractor components, truck components and trailer axle and suspension. We offer a diversified product portfolio with the capability to manufacture and supply safety and critical components to our customers, including the OEMs that manufacture commercial vehicles and off-highway vehicles.

Details of key products offered by us are as follows:

M&HCV components and assemblies:

- Trailer Axles and Suspensions
- Axle Shafts
- Coupling Flanges
- Differential Spiders
- Bevel Gear Assemblies
- Bell Crank Assemblies
- Trunion Pins
- Gear Joint Assemblies
- Clutch Release Forks
- Steering Joints
- Universal Cross
- Input and Output shafts
- Reaction Plate and Carrier Annulus
- Planet Carrier Assembly
- Rear End Spindles
- ABS Pole wheels
- Interaxle rings
- Anti Roll bar and stabilizer bar assembly

Tractor Components and assemblies:

- Spindle Front axles
- Control Spring Assembly
- Arm rams and Hydraulic lift arms
- PTO Shafts
- Hydraulic Lift shafts

Trailer axles and suspensions:

We design and build trailer axles which are compliant with the applicable vehicle loading norms. The trailer axle is a component of a trailer that supports the weight of the trailer and its cargo. It also connects the trailer wheels to the trailer frame. Trailer axles are typically made from high-strength steel to withstand the heavy loads and harsh conditions that they are subjected to. The design, technology used for development, backward integration and after-sale service provided are crucial aspects for trailer axle manufacturers *(Source: CRISIL Report).* Our Company designs and manufactures a wide variety axles basis the beam size for different track-lengths for a diverse application such as 1850 mm and 1950 mm and these axles are supplied with manual or auto-slack adjusters, with a choice of anti-lock braking systems and non-anti-lock braking systems options.

A trailer axle comprises of different parts, such as:

- Spindles which are induction hardened and grinded;
- Spiders with a two-piece forged design for a weight reduction;
- Hub and brake drum;
- Cam shafts;
- Brake-shoe;
- Various Mounting brackets;
- Bearings;
- Grease and oil seals; and
- Rubber gaskets.

Our trailer axles include a three-piece wheel seal, which is designed in-house, and is targeted to help prevents contaminants from entering the wheel hub ensuring longer axle life. We have also developed a unique pre-loading bearing system which helps in improving tire life, bearing life, and seal life.

In order to provide trailer fabricators a complete solution, we have also designed and developed suspensions. Our suspension assemblies come in different specifications in order to cater to the axle load requirements of the Indian market.

Trailer axle and suspension assembly

The suspension assemblies comprise of key components such as:

- torque arm plates;

- spring seats;
- U-bolt seats;
- wear pads;
- hangers; and
- leaf springs.

Our suspension assemblies are developed in the manner where key components are forged and machined together instead of sheet metal and castings techniques. We also manufacture air suspensions suitable up to 14 tonnes in capacity. Our air suspensions use a unique alignment locking system which is designed to improve tire life.

Select components and assemblies for M&HCV segment

Photograph	Product description
Axle shafts	
	A rear axle shaft is a component of the rear axle housing on a rear-wheel drive vehicle. It provides the power to the tires to drive the vehicle. Axle shafts connect the wheels to the differential and transmit rotational power from the Differential to the wheels. These are typically made of high-strength alloy steel and are designed to withstand the high torque and loads associated with commercial vehicles. Axle shafts are used for Medium, Heavy, Light and SUV Vehicles. It is used 2 per vehicle in Tandem and in Multi Axle it is used 4 per vehicle. Axle shafts connect the wheels to the differential and transmit rotational power from the engine to the wheels. These are typically made of high-strength alloy steel, and are designed to withstand the high torque and loads associated with commercial trucks. (*Source: CRISIL Report*)
Coupling flanges	
	Coupling flanges are used in trucks to connect two shafts together. These are typically used to connect the driveshaft to the differential, or to connect the differential to the axles. Coupling flanges allow the shafts to rotate independently, but also ensures that these are properly aligned and that the rotational force is transferred efficiently between the two. Coupling flanges are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of coupling flange used varies depending on the application. *(Source: CRISIL Report)*
	
Anti-roll bar and stabiliser bar assembly	
	The anti-roll bar assembly, also known as the stabiliser bar assembly or sway bar assembly, is a suspension component that helps reduce body roll in a truck. Body roll is the tendency of the truck to lean to the side when it is cornering or turning. Anti-roll bar assemblies help reduce body roll by connecting the opposite wheels of the truck together. When one wheel of the truck is raised, the anti-roll bar assembly twists and applies a force to the opposite wheel, pushing it down. This helps keep the truck level and reduces body roll. (*Source: CRISIL Report*)

Photograph	Product description
	
Universal Joint Cross	
	A universal joint cross, also known as a U-joint cross, is a mechanical device that allows two shafts to rotate at different angles. This is essential for trucks, as the driveshaft and axles must be able to move independently as the truck turns and travels over uneven terrain. Universal joint crosses are used in all types of trucks, from light-duty pickups to heavy-duty semis. These are also used in a variety of other vehicles, such as cars, buses, and SUVs. (*Source: CRISIL Report*)
Bell crank assembly	
	The Bell Crank Assembly is used on all Multi Axle Trucks. The bell crank assembly is a mechanical device that is used to change the direction of a force. It is typically made up of a lever that is pivoted in the middle and two arms that are attached to the ends of the lever. The bell crank assembly is used in a variety of applications, including in the suspension systems of trucks. In a truck suspension system, the bell crank assembly is used to transmit the force from the axle to the shock absorber. This helps to dampen the vibrations from the road and improve the ride quality of the truck. (*Source: CRISIL Report*)
Trunion pin	
	The trunnion pin is a component of the suspension system in a truck. It is a cylindrical tube that connects the axle to the suspension hanger. The trunnion pin allows the axle to pivot and move up and down, which helps absorb the bumps and vibrations from the road. Trunnion pins are used on all heavy vehicles which have Bogie Suspension. (*Source: CRISIL Report*)
Planet Carrier Assembly	
	The planetary carrier is used on the heavy Trucks which have 9 Speed Gear Box. The Planet Carrier Assembly is used for meeting torque in the Gear Box. It is a critical component and a part of the transmission of the truck. (*Source: CRISIL Report*)
Differential spiders	

Photograph	Product description
	Differential spiders are essential components of the differential in a truck. These are responsible for distributing the rotational force from the differential pinion gear to the differential ring gear, and then to the drive axles. This allows the wheels to turn at different speeds, which is necessary when the truck is turning or traveling over uneven terrain. Differential spiders are used in all types of trucks, from light-duty pickups to heavy-duty semis. The specific type of differential spider used will vary depending on the application. (*Source: CRISIL Report*)

Select components and assemblies for Tractor segment

Photograph	Product description
Power take off shafts ("PTO Shafts")	
	PTO Shafts are used on Tractors in their Gear Box and this Shaft allows to drive the various types of implements which Tractor uses which is connected through PTO. (*Source: CRISIL Report*)
Hydraulic life components	
	The ARM hydraulic lift ram is the part of Tractor's lifting devise. All the implements used on tractor have to be lifted according to its usage. (*Source: CRISIL Report*)
	The Rock Shaft or Hydraulic Lift Shaft is used on the Tractors and they form part of the lifting arrangements. These are splined shafts and the center spline of the shafts is fitted on the Hydraulic Lift Arms. (*Source: CRISIL Report*)
Spindle	

Photograph	Product description
	The spindle is connected to rear axle housing and is stationary. It is welded to the Axle Beam and is supported in the Hub with two Bearings. (*Source: CRISIL Report*)
	The spindle Front axle is used on the Front Axle of the Tractor. The one end of the Stub Axle is connected on the Hub and the other is connected to the Steering.
Bevel gear assembly	
	A differential assembly plays an integral role in how a vehicle turns. It is designed to drive a pair of wheels while allowing them to rotate at different speeds. Differential gears/assemblies find application in passenger vehicles (PV), commercial vehicles (CV), tractors, and construction equipment. (*Source: CRISIL Report*)

Operations

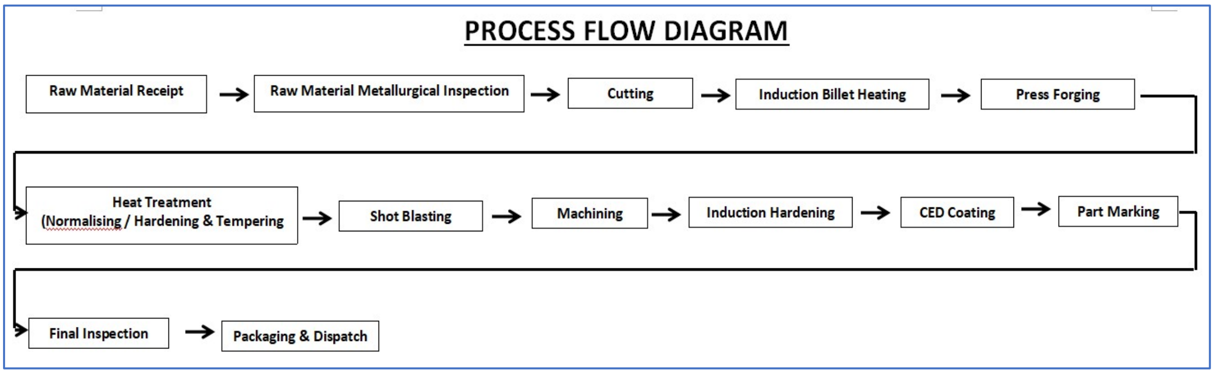
Our growth model has been based on our evolution from being a manufacturer of components such as joint crosses into manufacturing of components and assemblies like trailer axle and suspension assemblies which require higher levels of precision, strength, and durability. In the last three fiscals, we have offered a diverse suite of products to over 200 customers across M&HCV, farm equipment segments, domestic dealers and fabricators for our trailer axle and suspension assembly business.

We offer fully integrated engineering solutions from conceptualization, development and validation to implementation and manufacturing. The conceptualization stage involves acquiring market intelligence, assessing customer requirement and formulating customized strategy for individual customers. The development phase includes product designing, material procurement and processing. This is followed by the validation phase, which involves prototyping, testing and feasibility analysis. Our in-house manufacturing and implementation competencies include forging, machining, fabrication, heat treatment, surface finish, logistics, quality and testing, design and validation.

Aftermarket involves providing product replacement (due to wear and tear) and certain add-on parts to the end user over the full life cycle of the equipment, after the original purchase is made. Our aftermarket sales accounted for 10.10%, 6.26% and 10.08%, respectively, amounting to ₹ 626.22 million, ₹ 305.89 million and ₹ 299.85 million, respectively, of our revenue from operations for the Fiscals 2024, 2023 and 2022 and includes supplies to the spare parts division of certain of the OEMs we currently supply to.

Key Manufacturing Process

Set forth below is a description of the key manufacturing processes for forged and machined components at our manufacturing facilities:



Forging: Our manufacturing process begins with the receipt of steel bars, in form of rounds and billets, which are further cut into billets the necessary size and weight depending upon the component being manufactured. The billets are then heated to a specific temperature and are subject to a forging process, where the metal is pressed to a specific shape and size. Our forging equipment include one 400 tonne forging press, one 1000 tonne forging press, one 1600 tonne forging press, one 2000 tonne forging press, one 2500 tonne forging press, and one three tonne hammer. We have 4 forging upsetters with the ability to forge shafts and other parts with input weight range from 10 kgs to 45 kgs and maximum flange diameter of up to 280 mm enabling us to accommodate our diverse product portfolio. Our forging capabilities also include warm forging for manufacturing bevel gear assemblies and other components with near net shape technology.

Heat Treatment: Once the forging process is completed, the forged components undergo a crucial heat treatment process which enables the component to achieve the required specification for hardness and microstructure. Some of our components also undergo heat treatment during the machining process to achieve specific microstructure, and hardness. Furnaces are equipped with advanced technology and equipment to provide precise and necessary controls. The facilities available for heat treatment are as follows:

- Four furnaces for continuous hardening and tempering process with a combined capacity of 100 tonnes per day. All furnaces are equipped with SCADA software for data logging.

- 18 induction hardening machines from GH Induction ranging from 30 kilowatt–300 kilowatt. Induction hardening is an integral process of our manufacturing process as most of our products undergo this process.

- Three seal quench furnaces used for heat treatment of parts and case carburizing. We are also in the process of installing two additional seal quench furnaces which are expected to be installed over the next few months.

- One gas nitriding furnace as it is a specific requirement for certain of our products.

Machining: Machining is a critical process that involves transforming raw forgings into finished components with precise specifications in terms of size, shape, and other performance parameters. Our machining equipment includes CNC, vertical machining centres ("**VMCs**"), horizontal machining centres ("**HMCs**") for processes such as hobbing, rolling, shaving, shaping, surface and spline broaching, milling, grinding and CNC grinding, robotic welding and plasma cutting.

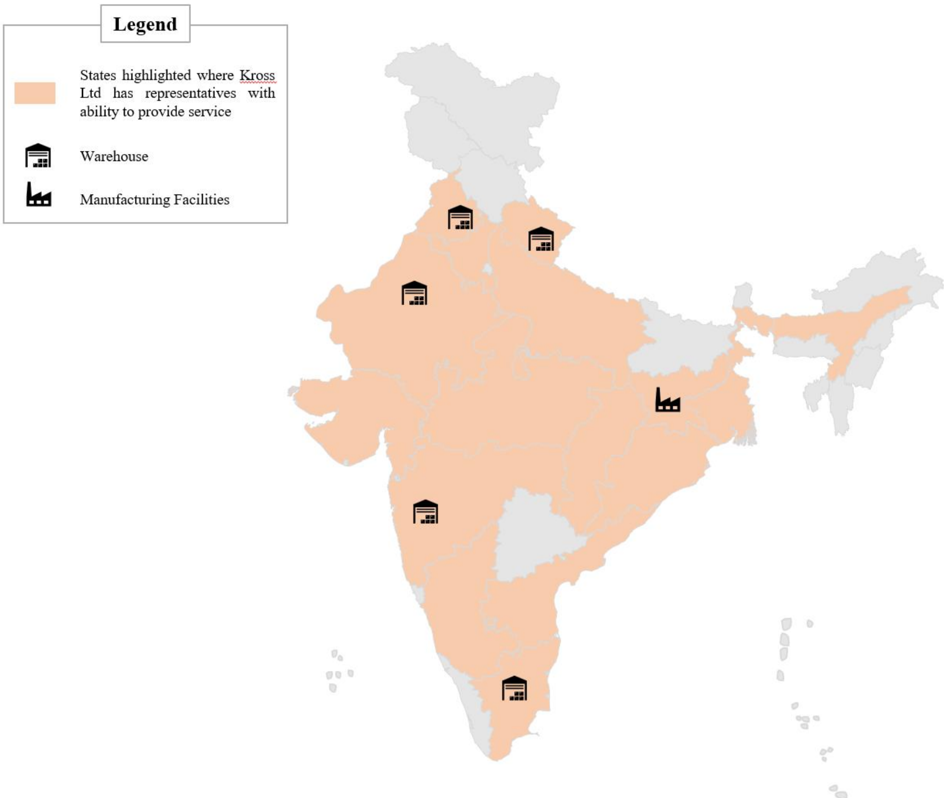
Surface Protection: After machining, our parts undergo specific surface treatments to enhance their performance and durability. These treatments include phosphating, CED coating, dip painting and spray painting which provide improved product life, wear resistance, surface finish, and corrosion resistance. We have in-house solutions for surface protection.

Die Design and Simulation: Our manufacturing facilities are equipped with VMCs to manufacture and design high-precision dies with accuracy. By having control over the die design process, we have the capability to develop and design the tooling with closed tolerances for any complex part or request for quote shared by our customer. We have invested in various design and simulation software such as Uni graphics, Solid edge, Quindos-7.

Casting: Casting of components refers to the process of pouring molten metal into a sand mould. Sand is subjected to a high pressure to form moulds. In the year 2022, we diversified from a forging and machining company into castings also and set up a foundry to be further backward integrated for our trailer axle and suspension by manufacturing brakedrums and hubs in house. The company set up a high pressure mould line with a box size of 710*710*250/300 mm. It has 4 Quad track furnaces by Inductotherm. The sand mixer is equipped with a PLC controlled system. The plant is equipped with all the digital lab equipment like bench spectrometer, UTM, moisture drier, sieve shaker and drier.

Manufacturing and Warehousing Facilities

The map below illustrates our manufacturing and warehousing facilities in India, as of June 30, 2024:



Manufacturing facilities and foundry

The following table sets out certain details of our Manufacturing Facilities/ foundry:

Sr. No.	Facility	Capabilities	Total land area (Sq. mt.)	Ownership status Freehold/ Leasehold	Duration of the lease
1	UNIT I, M-4, Phase-VI, Adityapur Industrial Area, Jamshedpur	Machining: Process undertaken in Machining: CNC turning, VMC, HMC Drilling Hobbing Induction Hardening Hardening Tempering Case Carburizing Surface and Spline Broaching Milling Grinding Quality Control Packing and Dispatch	6,063.40	Leasehold	99 years w.e.f. 1991
2	UNIT II, C-78, Phase-III, Adityapur Industrial Area, Jamshedpur	**Forging and heat treatment**	1,393.50	Leasehold	30 years w.e.f. 2007
3	UNIT III, B-30& 31, Phase-III, Adityapur Industrial Area, Jamshedpur	**Forging** **Heat Treatment** **Shot Blasting** **Machining:** - CNC turning - Rolling - Hobbing - Induction Hardening - HMC Drilling **Others:** - Quality Control Packing and Dispatch	5,574	Leasehold	30 years w.e.f. 2007
4	UNIT IV, M-2(P), Phase-IV, Adityapur Industrial Area, Jamshedpur	**Machining** **Assembly** **Heat Treatment** **Shot Blasting** **Trailer axle and suspension**	6,677.09	Leasehold	10 years w.e.f. 2018
5	UNIT V, NS-06,M-2(P), Phase- V, Adityapur Industrial Area, Jamshedpur	**Casting plant**	8,093.45	Leasehold	26 years w.e.f. 2020

Installed Capacity and Capacity Utilization

The following tables set forth the annual installed capacity of the Manufacturing Facilities for the past periods as mentioned below:

Facility	Product	Three month period ended June 30, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
		Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)
Unit I	Coupling Flanges	195,000	148,166	75.98%	780,000	654,731	83.94%	7,50,000	5,93,623	79.15%	5,76,000	4,32,180	75.03%
	Differential Spiders	65,000	40,178	61.81%	260,000	181,632	69.86%	2,60,000	2,16,224	83.16%	2,28,000	192,982	84.64%
Unit III	Axle Shafts	67,500	45,053	66.75%	270,000	221,771	82.14%	2,40,000	1,95,050	81.27%	2,16,000	172,330	79.78%
Unit IV	Trailer Axle & Suspension	15,000	10,145	67.63%	60,000	40,929	68.22%	30,500	26,479	86.82%	15,000	13,190	87.93%
	Bell Crank Assembly	10,500	4,578	43.60%	42,000	33,051	78.69%	38,400	32,612	84.93%	28,000	23,726	84.74%
	Anti Roll Bars & Stabilizer Bar Assembly	25,000	19,260	77.04%	100,000	81,303	81.30%	72,000	50,200	69.72%	45,000	33,600	74.67%

Notes:

1. *Installed capacity represents the installed capacity as of the last date of the relevant fiscal/ period*
2. *Assumptions and estimates taken into account for measuring installed capacities include 300 working days in a year, at 3 shifts per day operating for 8 hours a day*
3. *Production represents the quantum of production in the relevant manufacturing facility in the relevant fiscal/ period*
4. *Capacity utilization has been calculated on the basis of actual production in the relevant fiscal/ period divided by the annual available capacity during such fiscal/ period*
5. *Only select key products have been included as part of the table above.*
6. *MT represents metric tonne*
7. *Capacity utilisation for Unit II and Unit V has not been included as these units do not produce finished goods*

Warehousing facilities

Jaipur, Rajasthan

We currently have a leased location that serves as a complete warehouse for our trailer axle and suspension business and acts as a distribution network for entire Rajasthan This warehousing facility is managed by the Company.

Udham Singh Nagar, Uttarakhand

We currently have a leased location that serves as a complete warehouse to cater to our customers in Udham Singh Nagar. This warehousing facility is managed by our Company. This facility serves as our base for serving our OEM customers such as Ashok Leyland.

Chennai, Tamil Nadu

We currently have a leased location that serves as a complete warehouse for all our customers based in and around Tamil Nadu. This warehousing facility is managed by our Company. This facility serves as our base for serving our OEM customers and their tier-1 suppliers.

Hoshiarpur, Punjab

We currently have a leased location that serves as a complete warehouse for all our customer based in Hoshiarpur. This warehousing facility is managed by our Company. This facility serves as our base for serving our OEM customers.

Raigad, Maharashtra

We currently have a leased location that serves as a complete warehouse for all our customer based in Mumbai. This warehousing facility is managed by our Company. This facility serves as our base for serving our trailer axle customers.

None of the warehousing facilities is leased to us by any related parties as reported in the Restated Financial Information beginning on page 253.

R&D Facility

Our product design and development capability is important to remain competitive in the M&HCV and the farm equipment segments in India and to sustain profitable growth. We continually invest in product design and development to create a differentiating factor and sustainability of our products. In addition to the manufacturing facilities, we have a product design and development team located at Jamshedpur, Jharkhand.

This helps us widen our product offerings to our customers. In addition, our product design and development team also works closely with our customers' teams from time to time, to jointly develop customised products to cater to specific requirements identified by them.

Our product design and development team carries out operations in the following manner:

(i) *Process/ design improvement* – In this, the product design and development team carries out research and suggests process/ design improvements on the designs provided by the customers. For instance, we provided recommendations to the engineering department of one of our customers to reduce failures in axle shafts by increasing the length of the spline so as to allow the mating part to move freely on the axle shaft;

(ii) *Traditional R&D*

a. Our product design and development team carries out their process, in case of certain products such as antiroll bar and torsion bar, etc., OEM customers use our product design and development to develop their designs which are then manufactured by our Company. In the past, Ashok Leyland has used our product design and development capabilities for products such as anti-roll bars;

b. Our product design and development team carries out their process to develop and design our own proprietary products such as the trailer axle and suspension (mechanical and air).

Raw materials

Our primary raw material is steel, procured in the form of bars, billets, flats and tubes. We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments executed with them. We reserve the right to claim for our rejections that are the result of defective steel. The cost of raw materials and components consumed accounted for 61.05%, 60.20% and 53.64%, respectively, amounting to ₹ 3,786.81 million, ₹ 2,941.66 million and ₹ 1,595.67 million, respectively, of our revenue from operations for the Fiscals 2024, 2023 and 2022. Our OEM customers provide us an approved list of suppliers, these suppliers undergo a qualification process and performance rating by our OEM customers to ensure that the supplied raw materials are of satisfactory quality. We select our suppliers from this approved list. For further information, see section entitled "*Risk Factors – Raw material sourcing risk – We depend on a limited number of third parties for the supply of raw materials and failure by our suppliers to meet their obligations may cause change in availability and cost of raw materials which may adversely affect our business, financial condition, results of operations and prospects*" on page 35.

Sales and Marketing

We have a dedicated sales and marketing team of 58 members, as of June 30, 2024. Our top management and the sales and marketing team focuses on developing customer relationships and identifying and acquiring new customers and generating business opportunities.

For our OEM and Tier 1 customers

We undergo a vendor selection process with our customers, which can take a significant period from the date of issue of a request for quote ("**RFQ**") to supply of products. During this process, we are required to submit a technical proposal that includes product features, performance specifications, proposed development timeline, product validation plan, and performance and durability expectations. We may also be required to develop and supply concept prototypes for the customer based on initial design plans.

Once our prototype is confirmed to have met the customer's specifications and clears the testing phase, we may receive firm orders. We invest in securing new customer relationships through this intense, time-consuming, and costly vendor selection process as it enables us to better understand our customers' design and performance needs and demonstrate our capabilities in providing technologically advanced customized solutions for developing critical components.

If we are successful in converting the RFQ process into firm orders, it generally leads to a long-term relationship with the customer as the cost to the customer of switching vendors after qualification in the RFQ process is typically high.

For our trailer axle and suspension assembly business

We have a dedicated sales and marketing team for our trailer axle and suspension product business as for this product segment we need to be in constant communication with trailer fabricators to stay updated with their manufacturing schedules.

Sales & Marketing:

Our sales team is responsible for our sales across the country. Our sales managers are in charge of one or more states and his role includes co-ordination with the service engineer to ensure customer satisfaction amongst existing users, pursuing and following up on any potential leads of new customers, forming contacts with organizations/people that can help generate leads, like vehicle dealerships, vehicle finance companies etc., converting potential leads to sales orders by educating the customer about our product and highlighting our USPs and connecting with trailer fabricators and convince them to use our product.

Marketing:

Our team also engages in various marketing activities at key location across the country is to bring customer awareness about our product and our USPs. and organize service camps for key customers, organizing customer meets and manufacturing plant visits

Customer agreements

In relation to our business from OEM and Tier-I customers, we typically rely on blanket purchase orders issued by our customers from time to time that set out the price per unit. Pursuant to the purchase order, our customers provide us the quantities of units to be supplied along with the delivery schedules specifying the details of delivery. Further, we have purchase and supply agreements with some of our customers. These agreements set forth the terms of sales but do not bind these customers to any specific products, specifications, purchase volumes or duration and can be terminated by these customers with or without cause and without compensation. Under the purchase and supply agreement, these customers provide us only with forecast volume for the product and there is no commitment on the part of the customer to purchase the quantities specified in the volume projections. Further, we rely on orders on spot basis for our trailer axles and suspension assemblies. For further information, see "*Risk Factors – Lack of long-term contracts – We do not have firm commitment agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business, financial condition, cash flows and results of operations*" on page 33.

The purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and will be safe for use, that orders will be fulfilled according to predetermined delivery schedules and that all products will be built to customer specifications. Some of our customers, under their respective purchase and agreements, have the right to check and verify our relevant manufacturing systems processes, which may include inspection of the manufacturing facilities, review of the manufacturing processes and review of the raw materials. Further our purchase and supply agreements contain a warranty provision which warrants conformity of products to specifications, drawings, samples or descriptions furnished by the customers and further warrants that products delivered will be merchantable, of good material and workmanship and free from defects.

Power and water

Our manufacturing processes require an uninterrupted and constant voltage power to ensure e products quality and also to increase the productivity and productive life of our machines and equipment. We have arrangements for power purchase from Tata Steel Utilities and Infrastructure Services Limited.

To meet our requirement for water for our manufacturing processes, we primarily rely on Tata Steel Utilities and Infrastructure Services Limited.

Freight and transportation

We engage third-party logistics service providers to facilitate our transportation needs and rely on transportation modes, such as road, rail and ocean freight. The choice of transportation mode for each shipment depends on several factors, including the urgency, size, and value of the order. For further information, see "*Risk Factors – Reliance on of third party transporters - We rely on third-party transportation providers for distribution of our products. Any failure by any of our transportation providers to deliver our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations*" on page 39.

Quality Control

Our manufacturing facilities situated at Units I, II, III, IV and V have obtained ISO 9001:2015 for manufacture of axle shaft, PTO shaft, rock shaft, ring gear, hubs and other ferrous parts from TÜV NORD CERT GmbH and IATF 16949:2016 quality certifications for manufacture of axle shafts, universal joints, propeller shaft parts, differential spiders, companion flanges, anti-roll bar, bevel kit assembly, trailer axle assembly, hubs, brake drum and other ferrous parts from TÜV NORD CERT GmbH. Additionally, our Unit III manufacturing facility has also obtained ISO 14001:2015 for manufacture of axle shaft, universal joints and propeller shaft parts, differential spiders, companion flanges, bevel kit assemble and CED coating from TÜV NORD CERT GmbH and ISO 45001:2018 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, explosions, earthquakes, flood and other force majeure events including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include fire and burglary.

We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See "*Risk Factors – Our insurance coverage may not adequately protect us from all material risks and liabilities*" on page 55.

Awards and Accreditations

We have received several prestigious awards and certifications from our customers, including 'Silver Award in Best Performance in Business Alignment' by Ashok Leyland in 2023 and 'Durafit Range Best Vendor award for Demand Fulfilment East (2020-21)' by Tata Genuine Parts in 2021.

We have also been awarded the 'Best Supplier of the year award for outstanding efforts in Delivery, Quality and Cost' by York in 2015 and the 'Best Supplier Award for Overall Performance' by TAFE in 2014 and 'Best Supplier Award for Consistent Delivery Performance through Pull System – Kanban' by TAFE in 2013. For further information, see section entitled "*Our History and Certain Corporate Matters – Key awards, accreditations and recognitions*" on page 230.

Information technology

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented technology initiatives across our operations, including for procurement, manufacturing, distribution and supply chain operations.

In 2012, we have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to facilitate proper communication, material management, manufacturing planning, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. The Company is in the process of implementing a new ERP solution.

Environment, Health and Safety

We are committed to following applicable environmental and occupational health and safety laws as well as industry best practices. We are also committed to maintaining acceptable safety and quality systems, specifications and standards expected by customers, including the requirement for on-time delivery and for on-site and off-site inspections of our products and facilities by our customers.

We aim to provide and maintain a healthy, safe working environment to minimize the risks to employees, contractors, visitors, and others who may be affected by our activities, while fulfilling expectations of our customers of high quality and safe products.

We continuously monitor and identify health and safety risks in the workplace to control and mitigate such risks to achieve continual improvement in our health and safety performance. We develop and monitor specific systems, practices, and procedures to prevent accidents and, if they occur, to manage them responsibly and to carefully investigate the causes with the aim of introducing measures to prevent them from recurring.

For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies in India*" and "*Government and Other Approvals*" on pages 223 and 339, respectively.

CSR initiatives

We have constituted a CSR committee of our Board of Directors and have adopted and implemented a CSR policy pursuant to which we carry out our CSR activities.

Our CSR expenditure aggregated to ₹ 3.70 million, ₹ 3.33 million and ₹ nil for the Fiscals 2024, 2023 and 2022, respectively.

Competition

While there are several producers of varying size serving certain segments or sub-segments of our customer base, across M&HCV and farm equipment segments, and there are also several producers of varying size manufacturing certain of the products that we sell, in various geographical markets. We believe that we have no peers that operate in the full spectrum of our customer base, geographical market, product range and price points. For details of our competitive position, see "*Industry Overview – Peer Comparison*" on page 191.

There are no standard methodologies to assess this industry as far as we are aware, we believe that it is difficult to predict how the competitive landscape of our business will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include vulnerability to overall macroeconomic factors, time to market, availability of after-sale and logistics support, product features, design, quality, price, delivery, warranty, general customer experience and relationships between producers and their customers.

Employees

Our employees are one of our most important assets and are critical to us maintaining our competitive position in our key geographical markets and in our industry. As of June 30, 2024, we had 528 permanent employees, as set forth below:

Department	Number of permanent employees
Operations	313
Quality	66
Accounts	11
Maintenance	41
Sales and Marketing	58
Design and New product development/R&D	22
Human Resource and Administration	17

As of June 30, 2024, in addition to our permanent employees, we had 1,661 contractual employees.

Our human resource policies focus on recruiting talented and qualified personnel, whom we believe integrate well with our current workforce. We endeavour to develop and train our employees in order to facilitate the growth of our operations. We have in place a rewards and recognition program and conduct regular events to recognize and award employees based on performance and the impact they have made, irrespective of their seniority, department or location. Our employee induction procedures are focused on taking regular feedback and facilitating interaction between new employees and senior management. We conduct regular training workshops and performance reviews. We have medical insurance for our employees and have also introduced wellness and physical health programs.

For the Fiscals 2024, 2023 and 2022, our employee benefits expense were ₹ 304.23 million, ₹ 265.09 million and ₹ 201.77 million, respectively, constituting 4.91%, 5.43% and 6.78% of our revenue from operations, respectively.

Intellectual Property

As of June 30, 2024, we do not own any trademarks in India, and have two applications pending for registration of certain other trademarks.

For further details, see section entitled "*Government and Other Approvals*" beginning on page 339, and "*Risk Factors – Intellectual property infringement risk - We do not possess registered trademarks for our corporate logo and name and may be unable to protect ourselves from infringement of our trademarks or unauthorised passing off of counterfeit products*" on page 45.

Properties

Our Registered and Corporate Office is located at M-4, Phase-VI, Adityapur Industrial Area, Jamshedpur, which is leased to us. Set out below are the details of our properties:

Sr. No.	Facility	Ownership status	Total land area (Sq. Mtr.)	Duration of the lease	Party from whom the property was leased
		Freehold/Leasehold			
1	UNIT I, M-4, Phase-VI, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	6,063.40	99 years w.e.f. 1991	Adityapur Industrial Area Development Authority
2	UNIT II, C-78, Phase-III, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	1,393.50	30 years w.e.f. 2007	Adityapur Industrial Area Development Authority
3	UNIT III, B-30& 31, Phase-III, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	5,574.00	30 years w.e.f. 2007	Adityapur Industrial Area Development Authority
4	B-32, 33 and 34, Phase-III, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	8,314.82	30 years w.e.f.2024	Jharkhand Industrial Area Development Authority
5	UNIT IV, M-2(P), Phase-IV, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	6,677.09	10 years w.e.f. 2018	Jharkhand Industrial Area Development Authority
6	UNIT V, NS-06,M-2(P), Phase- V, Adityapur Industrial Area, Jamshedpur, Jharkhand	Leasehold	8,093.45	26 years w.e.f. 2020	Jharkhand Industrial Area Development Authority

Set out below are the details of properties provisionally allotted to our Company as on the date of this Red Herring Prospectus

1. Our Company has been provisionally allotted the plot no. E-29 admeasuring 86,248.8 square feet or 8,012.78 square metres, located at EMC Plots near Phase 7, Adityapur Industrial Area, Seraikela-Kharsawan, Jamshedpur, on February 21, 2024, with the premium land price of ₹ 20,859,256. The aforementioned land has been provided to our Company at an incentivized cost of ₹ 10,429,628 which shall be paid in 10 equal half-yearly instalments of ₹ 1,042,987 each. As on the date of this Red Herring prospectus, one instalment has been made by our Company.

2. Our Company has been provisionally allotted the plot no. E-30 admeasuring 87,120 square feet or 8,093.71 square metres, located at EMC Plots near Phase 7, Adityapur Industrial Area, Seraikela-Kharsawan, Jamshedpur with the premium land price of ₹ 21,069,956. The aforementioned land has been provided to our Company at an incentivized cost of ₹ 1,05,34,978, which shall be paid in 10 equal half-yearly instalment of ₹ 10,53,522 each. As on the date of this Red Herring prospectus, one instalment has been made by our Company.

3. Our Company has been provisionally allotted the plot no. E-31(P) admeasuring 84,412.40 square feet or 7,842.17 square metres, located at EMC Plots near Phase 7, Adityapur Industrial Area, Seraikela-Kharsawan, Jamshedpur, on February 21, 2024, with the premium land price of ₹ 82,22,622. The aforementioned land has been provided to our Company at an incentivized cost of ₹ 41,61,317, which shall be paid in 10 equal half-yearly instalment of ₹ 4,16,156 each. As on the date of this Red Herring prospectus, one instalment has been made by our Company.

4. Our Company has been provisionally allotted the plot no. E-32 admeasuring 77,972.4 square feet or 7,243.87 square metres, located at EMC Plots near Phase 7, Adityapur Industrial Area, Seraikela-Kharsawan, Jamshedpur, on February 21, 2024, with the premium land price of ₹ 1,88,57,611. The aforementioned land has been provided to our Company at an incentivized cost of ₹ 94,28,806, which shall be paid in 10 equal half-yearly instalment of ₹ 9,42,905 each. As on the date of this Red Herring prospectus, one instalment has been made by our Company.

KEY REGULATIONS AND POLICIES IN INDIA

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. The description of laws and regulations as set out below is not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative and regulatory actions, administrative or judicial decisions. For details of government approvals obtained by our Company in compliance with these regulations, see 'Government and Other Approvals' on page 339.

Business Related Laws

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, Department of Industrial Policy and Promotion. The Industries Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion 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.

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.

Shops and Establishment Legislations

Under the provisions of local shops and establishments laws applicable in various states, establishments are required to be registered. Such laws 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 shops and establishments and other rights and obligations of the employers and employees. Our offices are required to be registered under the shops and establishments legislations of the states where they are located.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (Metrology Act) seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matter's incidental thereto. The Metrology Act, inter alia, provides for: (a) regulation of weight or measure used in transaction or for protection; (b) approval of model of weight or measure; (c) verification of prescribed weight or measure by Government approved Test Centre; (d) exempting regulation of weight or measure or other goods meant for export; nomination of a person by the companies who will be responsible for complying with the provisions of the enactment; and (f) empowering the Central Government to make rules for enforcing the provisions of the enactment. Any non-compliance or violation of the provisions of the Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of a national body, to be called the Bureau of Indian Standards ("**BIS**"), for the harmonious development of the activities, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto. The BIS Act provides for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment; and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government, in consultation with the BIS, to order compulsory use of standard mark for any goods or article of any scheduled industry, process, system or service, or essential requirements to such goods, article, process, system or service if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

The Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act was enacted to consolidate and amend the law relating to steam-boilers. As per the Boilers Act, no owner of a boiler that is not exempted from the Boilers Act shall use the boiler or permit it to be used unless it has been registered in accordance with the provisions of the Boilers Act. Any contravention to the provisions of the Boilers Act will be punishable with imprisonment, which may extend to 2 years or with fine which may extend to ₹ 0.1 million or with both. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations inter alia deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings, the safety of persons inside boilers.

Labour law legislations

Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA Act")

The CLRA Act has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA Act applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA Act vests the responsibility on the principal employer of an establishment to which the CLRA Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The principal employer is under an obligation to provide various facilities as provided under the CLRA Act, within a prescribed time period, in case the contractor does not provide such facilities. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises where 10 or more workers are working or were working on any day of the preceding 12 months and in any part of which a manufacturing process is carried on with the aid of power, or is ordinarily so carried on, or any premises where at least 20 workers are working or were working on any day of the preceding 12 months and in and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers while they are at work in the factory. As per the Factories Act, any person who designs, manufactures, imports or supplies and article for use in any factory shall, *inter alia*, ensure, so far as is reasonably practicable, that the article is so designed and constructed as to be safe and without risks to the health of the workers when properly used and carry out or arrange for the carrying out of such tests and examination as may be considered necessary for the effective implementation of such duty. The Factories Act provides various safeguards for the safety and welfare of workers in a factory. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials. 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.

Other Labour law legislations

The various labour and employment related legislations 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:

- *Child Labour (Prohibition and Regulation) Act, 1986; and Child Labour (Prohibition and Regulation) Rules, 1988;*
- *Employees' Compensation Act, 1923;*
- *Employees' Provident Funds and Miscellaneous Provisions Act, 1952;*
- *Employees' State Insurance Act, 1948;*
- *Equal Remuneration Act, 1976;*
- *Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956;*
- *Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;*
- *Industrial Employment (Standing Orders) Act, 1946;*
- *Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;*
- *Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988 as amended by Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2014;*
- *Maternity Benefit Act, 1961;*
- *Minimum Wages Act, 1948;*
- *Payment of Bonus Act, 1965;*
- *Payment of Gratuity Act, 1972;*
- *Payment of Wages Act, 1936;*
- *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;*
- *The Employee's Compensation Act, 1923 as amended by Employee's Compensation (Amendment) Act, 2017;*
- *Trade Unions Act, 1926; and*
- *Workmen's Compensation Equal Remuneration Act, 1976.*

In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

(a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

(b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) **Code on Social Security, 2020**, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Workers' Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(d) **The Occupational Safety, Health and Working Conditions Code, 2020**, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

Environment protection laws

Environment (Protection) Act, 1986 (the "EP Act"), Environment (Protection) Rules, 1986 (the "EP Rules") and Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of environmental pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specify, inter alia, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Air (Prevention and Control of Pollution) Act, 1981(the "Air Act") and Air (Prevention and Control of Pollution) Rules, 1982 ("Air Rules")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. Further, such an industrial plant shall not be permitted to emit air pollutants in excess of the standards laid down by the state pollution control board. The Air Rules provides for the procedure for transaction of business of the central pollution control board ("Central Board") and its various committees. The Air Rules further mandate the Central Board to submit an annual report with a full account of its activities in the previous year to the Central Government.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act") and Water (Prevention and Control of Pollution) Board, 1975 ("Water Rules")

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The Water Act provides for the establishment of Pollution Control Boards ("PCBs") at Central and State levels to establish and enforce standards for discharging pollutants into water bodies. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state PCB. The Water Rules provide for inter alia the terms and conditions of service of members of the Central PCB and its various committees and the functions of the central water laboratory. As per the Rules, the Central PCB has the power to take samples of water, for the purpose of analysis, from any sewage or trade effluent into any stream or well in any Union Territory. Further, the Water Rules mandate the Central PCB to submit an annual report with a full account of its activities in the previous financial year to the Central Government.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter and operator is liable for all damages caused to the environment resulting from the improper handling and disposal of hazardous and other waste and the occupier or operator of the disposal facility shall be liable to pay any financial penalty that may be levied for any violation of the provisions of the Hazardous Waste Rules by the respective state pollution control board with the prior approval of the central pollution control board.

Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules")

The Noise Pollution Rules were enacted to regulate and control noise producing and generating sources with the objective of maintaining of ambient air quality standards in respect of noise. Pursuant to the Noise Pollution Rules, different areas / zones shall be classified into industrial, commercial, residential or silence areas/zones, with each area having a permitted ambient air quality standard in respect of noise. The Noise Pollution Rules provide for penalties in case the noise levels in any area / zone exceed the permitted standards.

Intellectual property laws

Trade Marks Act, 1999 ("Trademarks Act") and the Trade Marks Rules, 2017 ("Trademarks Rules")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement of such marks. The Trademarks Act permits registration of trademarks for goods and services and prohibits any registration of deceptively similar trademarks or compounds, among others. It also covers infringement of trademarks and falsifying and falsely applying for trademarks. As per the Trademarks Act, any person found to be falsifying trademarks shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which shall not be less than fifty thousand rupees but which may extend to two lakh rupees. The Trademarks Rules provide for *inter alia* the procedures for filing an application for registration of trademarks to the Trade Marks Registry ("**Registry**") and for filing an opposition to any application for registration of a trademark.

Other applicable laws

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Kross Manufacturers (India) Private Limited", as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 9, 1991, issued by the Registrar of Companies, Bihar at Patna. Thereafter, the Registered Office of our Company was changed from 214, Ashiana Centre Adityapur, Jamshedpur – 831013 to M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108. Subsequently, the name of our Company was changed from "Kross Manufacturers (India) Private Limited" to "Kross Private Limited" pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated September 26, 2016. Further, the name of our Company was changed upon conversion from a private limited company "Kross Private Limited", to a public limited company "Kross Limited" pursuant to a special resolution passed by our shareholders on January 13, 2017 and a fresh certificate of incorporation issued by the Registrar of Companies Jharkhand at Ranchi dated January 17, 2017.

Changes in the Registered Office of our Company

The details of changes in the Registered Office address of our Company, since incorporation are given below:

Effective date of change of Registered Office	Details of the address of Registered Office	Reason
August 10, 1992	Shifting of the registered office of our Company from 214, Ashiana Centre Adityapur, Jamshedpur – 831013 to M-4, Phase VI, Gamharia, Adityapur Industrial Area, Jamshedpur – 832108*	Administrative convenience

***** *Company filed Form INC 22 on November 1, 2023 to update the pincode of its registered office address.*

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To carry on the business of manufacturing, buying, selling, re-selling, sub- contracting, exchanging, hiring, altering, importing, exporting, improving, assembling, distributing, servicing, repairing and dealing in as original equipment manufacturers as also on a jobbing industry basis and in any other capacity all and every kind of machineries, components, parts, replacement parts, spare parts, accessories, tools, implements and fittings of all kinds inclusive of all types of cross pin and all relevant cross assembly, components, parts and accessories, propeller shafts and universal joints for motor vehicle, Trucks, Trailers, Tractors, motor lorries, motor- cycles, scooters, Buses, ominibuses, van, locomotives, Tanks, ships, engines, wagons, boats, barges, launches, submarines aeroplanes, air ships, seaplanes, balloons, aircrafts, spaceships, spacecraft, rockets, space shuttles of every description and other vehicles, and products of all description whether propelled or used by means of petrol, spirit, steam, oil vapour, gas, coal, electricity, petroleum, atoms or any other motive or mechanical power, in India or elsewhere, and to carry on any other business manufacturing or otherwise, which is connected to the above.*

2. *To carry on the business of manufacturing, buying, selling, re-selling, sub- contracting, exchanging, importing, exporting, improving, assembling, distributing, servicing, repairing and dealing in steel, forged steel, costing, metelic or rubber parts, components & assemblies for any industry or others.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, please refer to the section titled "*Objects of the Offer*" on page 107.

Amendments to the Memorandum of Association in the last 10 years preceding the date of this Red Herring

Prospectus

Set out below are the amendments to our Memorandum of Association in the last 10 years preceding the date of this Red Herring Prospectus:

Date of Shareholders' resolution	Particulars
August 18, 2016	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from "Kross Manufacturers (India) Private Limited" to "Kross Private Limited".
	Clause V of the MoA was amended to reflect the sub-division of the face value of equity shares in the authorised share capital of our Company from 70,000,000 (Rupees Seven Crore only) divided into 700,000 (Seven Lakh) equity shares of face value of ₹ 100 (Rupees Hundred only) each to ₹ 70,000,000 (Rupees Seven Crore only) divided into 7,000,000 (Seventy Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) each.
	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 70,000,000 (Rupees Seven Crore only) divided into 7,000,000 (Rupees Seventy Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) each to ₹ 150,000,000 (Rupees Fifteen Crore only) divided into 15,000,000 (One Crore Fifty Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) each.
January 13, 2017	Clause I of the Memorandum of Association was amended to reflect the change of status of our Company from private limited company to public limited company and change in name of our Company from "Kross Private Limited" to "Kross Limited" pursuant to conversion to a public limited company.
October 26, 2023	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 150,000,000 (Rupees Fifteen Crore only) consisting of 15,000,000 (One Crore Fifty Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) each to ₹ 370,000,000 (Rupees Thirty Seven Crore only) consisting of ₹ 350,000,000 (Rupees Thirty Five Crore only) equity share capital divided into 35,000,000 (Three Crore Fifty Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) and ₹ 20,000,000 (Rupees Two Crore only) preference share capital divided into 2,000,000 (Twenty Lakh) preference shares of face value of ₹ 10 (Rupees Ten only).
	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 370,000,000 (Rupees Thirty Seven Crore only) divided into ₹ 350,000,000 (Rupees Thirty Five Crore only) divided into 35,000,000 (Three Crore Fifty Lakh) equity shares of face value of ₹ 10 (Rupees Ten only) and ₹ 20,000,000 (Rupees Two Crore only) divided into 2,000,000 (Twenty Lakh) preference shares of face value of ₹ 10 (Rupees Ten only) to ₹ 370,000,000 (Rupees Thirty Seven Crore only) divided into ₹ 350,000,000 (Rupees Thirty Five Crore only) divided into 70,000,000 (Seven Crore) equity shares of face value of ₹ 5 (Rupees Five only) and ₹ 20,000,000 (Rupees Two Crore only) divided into 2,000,000 (Twenty Lakh) preference shares of face value of ₹ 10 (Rupees Ten only)

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
1991	Obtained the certificate of incorporation.
1997	Supplied their first product, *joint cross* to Tata Engineering and Locomotive Company Limited (Telco Limited)
2001	Diversified into tractor components and started working with TAFE.
2006	Started working with Ashok Leyland by developing output flanges.
2008	Installed upsetter forging equipment (4" and 5") and started development of manufacturing of axle shafts for Tata Motors.
2008	Installed press forging equipment by installing 2500 and 2000 tonnes mechanical press.
2014	Commenced business with International Tractors Limited for rockshafts.
2016	Developed spider bevel gears for TAFE.
2018	Commenced manufacturing *anti-roll bar* and *stabilizer bar* for OEM's by commissioning a new facility, Unit IV
2019	Developed the *trailer axle* along with *mechanical suspensions* for the trailer industry.
2022	Established foundry Unit V, a high pressure mould line along with its machine shop.

Key awards, accreditations and recognitions

Year	Awards/Accreditation
2013	Best supplier award for "Consistent Delivery Performance" through pull system – Kanban at the Global Supplier Meet by TAFE.
2014	Best supplier award for "Overall Performance" by TAFE
2015	Best supplier of the year award for outstanding efforts in delivery, quality and cost by York, a Tata Enterprise.
2021	Durafit Range best vendor award for demand fulfilment east (2020-21) by Tata Genuine Parts at the Vendor Impact Progamme 2021
2023	Silver award in Best Performance in Business Alignment by Ashok Leyland

Corporate profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, capacity and facility creation, location of plants, market, growth, competition, technology, and managerial competence, please refer to the sections titled "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 195, 232, 305 and 27, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, if any, in the last ten years

Except as stated below, our Company has not made any material acquisition or divestment in any business or undertaking nor have we undertaken any merger or amalgamation in the ten years preceding the date of this Red Herring Prospectus:

An agreement for sale cum memorandum of understanding dated October 28, 2017 executed between M/s MEW Suspensions Private Limited ("MSPL") and our Company (such agreement, the "Sale Agreement")

Our Company entered into an agreement for sale cum memorandum of understanding with MSPL for the transfer of leasehold rights of the land and acquisition of superstructure and other assets created/installed on the land where MSPL carried out their business. All assets including the land, superstructure, plant and machinery as mentioned in the annexure to the Sale Agreement were purchased for a consideration of ₹ 60.00 million.

Details of guarantees given to third parties by our Promoters participating in the Offer for Sale

The Promoter Selling Shareholders, namely, Sudhir Rai and Anita Rai along with the other Promoters of the Company, namely Sumeet Rai and Kunal Rai, have provided their personal guarantee for certain loans availed by our Company from banks and financial institutions with respect to the sanctioned facilities to Axis Bank Limited, HDFC Bank Limited, DBS India Bank. Further, the Promoter Selling Shareholders have also given personal guarantee with respect to the loan availed by our Company from Siemens Financial Services Private Limited.

Launch of key products, entry into new geographies or exit from existing markets

For information on key products launched by our Company, entry into new geographies or exit from existing markets, please refer to the section titled "*Our Business*" on page 195.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling or restructuring of borrowings with financial institutions/banks in respect of our current borrowings from lenders. For further information of our financing arrangements, please refer to the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Indebtedness*" on page 331.

Time and cost over-runs in setting up projects

Other than in the ordinary course of business, there have been no time and cost overruns in the setting-up of any of our projects.

Significant financial or strategic partners

Our Company does not have any significant strategic or financial partners as on the date of this Red Herring Prospectus.

Capacity, facility creation and location of manufacturing plants

For further details of in relation to the capacity, creation of facilities and location of the manufacturing plants, please refer to the section titled *"Our Business*" on page 195.

Our holding company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Our subsidiary companies

As on the date of this Red Herring Prospectus, our Company has no subsidiary.

Shareholders' agreements

As on the date of this Red Herring Prospectus there are no agreements entered into by and between our Company and Shareholders of our Company or any inter-se Shareholders with regard to rights and obligations in connection with the securities of our Company.

Other confirmations

Neither our Promoters nor any other Key Managerial Personnel, Senior Management, Directors or any other employee of our Company, either by themselves or on behalf of any other person, have entered into any agreements with any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Except as disclosed below, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business. Further, except as disclosed in this section, there are no other agreements/ arrangements and clauses/ covenants which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision.

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners or financial partners, which is not in the ordinary course of business carried on by our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises eight Directors including four Executive Directors and four Independent Directors including one woman independent director.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	**Sudhir Rai** **Date of birth:** April 27, 1960 **Designation**: Chairman and Managing Director **Address**: Bunglow Number-14, Ashiana Garden, Jamshedpur, East Singhbhum, Jharkhand – 831 011 **Occupation**: Business **Current term**: Five years commencing from October 26, 2023, and not liable to retire by rotation. **Period of directorship:** Since incorporation of the Company **DIN**: 00512423	64	**Indian companies** Tuff Seals Private Limited **Foreign companies** Nil
2.	**Anita Rai** **Date of birth:** October 24, 1963 **Designation**: Whole-time Director **Address**: Bunglow Number-14, Prime Rose Lane, Ashiana Garden, Sonari, Jamshedpur, East Singhbhum, Jharkhand –831 011 **Occupation**: Business **Current term**: Five years commencing from October 26, 2023, and liable to retire by rotation. **Period of directorship:** Since incorporation of the Company **DIN**: 00513329	60	**Indian companies** Nil **Foreign companies** Nil
3.	**Sumeet Rai** **Date of birth:** August 8, 1988 **Designation**: Whole-time Director **Address**: Bunglow Number-14, Prime Rose Lane, Ashiana Garden, Jamshedpur, East Singhbhum, Jharkhand – 831 011 **Occupation**: Business	36	**Indian companies** Nil **Foreign companies** Nil

Sr. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Current term: Five years commencing from October 26, 2023, and liable to retire by rotation. **Period of directorship:** Since April 1, 2008 **DIN**: 02304257		
4.	**Kunal Rai** **Date of birth:** July 1, 1992 **Designation**: Whole-time Director (Finance) and CFO **Address**: Bunglow Number-14, Prime Rose Lane, Ashiana, Sonari, Jamshedpur, East Singhbhum, Jharkhand – 831 011 **Occupation**: Business **Current term**: Five years commencing from October 26, 2023, and liable to retire by rotation. **Period of directorship:** Since April 8, 2014 **DIN**: 06863533	32	**Indian companies** Nil **Foreign companies** Nil
5.	**Sanjiv Paul** **Date of birth:** March 16, 1963 **Designation**: Independent Director **Address**: 36, Straight Mile Road, PO- Bistupur, Northern Town, Jamshedpur, Purbi Singhbhum, Jharkhand -831 001 **Occupation**: Service **Current term**: For a period of three years from October 26, 2023 **Period of directorship:** Since October 26, 2023 **DIN**: 00086974	61	**Indian companies** Nil **Foreign companies** Nil
6.	**Mukesh Kumar Agarwal** **Date of birth:** June 4, 1965 **Designation**: Independent Director **Address**: House Number-81, Ground floor, Green Heights Colony, N H -58, Roorkee Road, Siwaya, Jamallulapur, Meerut, Uttar Pradesh- 250 110 **Occupation**: Business **Current term**: For a period of three years from October 26, 2023 **Period of directorship:** Since October 26, 2023 **DIN**: 09046565	59	**Indian companies** RsquareInfo E-Solutions Private Limited **Foreign companies** Nil
7.	**Deepa Verma** **Date of birth:** September 8, 1963 **Designation**: Independent Director	60	**Indian companies** Hamari Laado Foundation **Foreign companies**

Sr. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Address: 3, Kapali Road, B H Area, Kaiser Bungalow, Kadma, Jamshedpur, East Singhbhum, Jharkhand – 831 005 **Occupation**: Retired from Service **Current term**: For a period of three years from October 26, 2023 **Period of directorship:** Since October 26, 2023 **DIN**: 10359047		Nil
8.	**Gurvinder Singh Ahuja** **Date of birth:** June 10, 1964 **Designation**: Independent Director **Address**: Bungalow No 20 Nildih Enclave, Nildih Road, Golmuri, Jharkhand - 831 003 **Occupation**: Practicing Chartered Accountant **Current term**: For a period of three years from October 26, 2023 **Period of directorship:** Since October 26, 2023 **DIN**: 08132223	60	**Indian companies** Nil **Foreign companies** Nil

Relationship between our Directors, Key Managerial Personnel and Senior Management

Sr. No.	Name of Director	Relative	Relationship
1.	Sudhir Rai	Anita Rai	Wife
		Sumeet Rai	Son
		Kunal Rai	Son
2.	Anita Rai	Sudhir Rai	Husband
		Sumeet Rai	Son
		Kunal Rai	Son
3.	Sumeet Rai	Sudhir Rai	Father
		Anita Rai	Mother
		Kunal Rai	Brother
4.	Kunal Rai	Sudhir Rai	Father
		Anita Rai	Mother
		Sumeet Rai	Brother

Except as disclosed above, none of our Directors are related to each other or to any of our Key Managerial Personnel or the Senior Management. Further, none of the Independent Directors are related in any manner to the Promoters, members of the Promoter Group, other Directors or Key Managerial Personnel of the Company.

Brief biographies of Directors

Sudhir Rai is the Chairman and Managing Director of our Company. He holds a bachelor's degree in science from the University of Delhi and diploma in business administration from the Xavier Institute of Management. He is currently associated with Tuff Seals Private Limited as a Director and is a director on the board of Tuff Seals Private Limited since 1982, he was associated as a director with Narbheram & Co Limited from September 20, 2004 to August 06, 2007 and as a director with TSF Limited from October 18, 2005 to September 01, 2015, each of which are his associations post his association with the Company. He has been associated with our company since incorporation and is primarily involved in policy matters of the company.

Anita Rai is a Whole-time Director of our Company. She holds a bachelor's degree in education from University of Delhi and postgraduate certificate in logistics and supply chain management from XLRI Jamshedpur, School of Business and Human Resources. She has been associated with our company since incorporation and is primarily involved in store and purchase activity of the company.

Sumeet Rai is a Whole-time Director of our Company. He has a bachelor's degree in science in engineering (mechanical engineering) from the University of Michigan. He has been associated with our company since April 1, 2008 and is primarily involved in plant operation of the company.

Kunal Rai is a Whole-time Director (Finance) and CFO of our Company. He has a bachelor's degree in science from Aston University. He has been associated with our company since April 8, 2014 and is primarily involved in Finance and commercial activities of the company.

Sanjiv Paul is an Independent Director on our Board. He has a bachelor's degree in science from Regional Institute of Technology, Ranchi University and has participated in the General Management Programme held by European Centre for Continuing Education. He was previously associated with Tata Steel Limited as vice president and Tata Metaliks Limited as managing director.

Mukesh Kumar Agarwal is an Independent Director on our Board. He has passed the final exam of diploma in mechanical engineering from Seth Ganga Sagar Jatiya Polytechnic. He was previously associated with ISMT Limited as Vice President (Hot Mills), and is currently associated with RSqauareinfo e-Solutions Private Limited as a Director.

Deepa Verma is an Independent Director on our Board. She has a bachelor's degree of commerce from University of Poona and diploma in personnel management and industrial relations from Xavier Labour Relations Institute. She was previously associated with Tata Steel as chief human resource business partner.

Gurvinder Singh Ahuja is an Independent Director on our Board. He is a certified chartered accountant. He was previously associated with Tata Motors Limited as general manager-plant finance.

Details of directorships in companies suspended or delisted

None of our Directors is or was a director of any company listed on any stock exchange during the five years preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of their directorship in such company.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

None of our Directors has been appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contract with Directors

No officer of our Company, including our Directors have entered a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Terms of appointment of Executive Directors

Sudhir Rai has been a director of our Company since incorporation. At the board meeting of our Company on October 21, 2023, he was designated as the Chairman and Managing Director of our Company for a period of five years with effect from October 26, 2023.

Anita Rai has been a director of our Company since incorporation. At the board meeting of our Company on October 21, 2023, she was designated as the Whole-time Director of our Company for a period of five years with effect from October 26, 2023 and will be liable for retire by rotation.

Sumeet Rai has been a director of our Company since April 1, 2008. At the board meeting of our Company on October 21, 2023, he was designated as the Whole-time Director of our Company for a period of five years with effect from October 26, 2023 and will be liable for retire by rotation.

Kunal Rai has been a director of our Company since April 8, 2014. At the board meeting of our Company on October 21, 2023, he was designated as the Whole-time Director (Finance) of our Company for a period of five years with effect from October 26, 2023 and will be liable for retire by rotation.

Payments or benefits to Directors of our Company

Remuneration to our Executive and Non-Executive Directors

Pursuant to a Board resolution dated October 21, 2023 and a Shareholders' resolution dated October 26, 2023, as on the date of this Red Herring Prospectus, the remuneration to be paid to our Executive Directors, namely, Sudhir Rai, Anita Rai, Sumeet Rai, and Kunal Rai, shall be in accordance with applicable law.

The details of remuneration paid to our Executive Directors in Fiscal 2024 are as follows:

Name of Director	Designation	Remuneration (in ₹ million)
Sudhir Rai	Managing Director	3.60
Anita Rai	Whole-time Director	2.40
Sumeet Rai	Whole-time Director	2.40
Kunal Rai	Whole-time Director (Finance) and CFO	2.40

Sitting fees and commission to our Independent Directors

Pursuant to Board resolution dated October 21, 2023, as on the date of this Red Herring Prospectus, the Independent Directors on our Board are entitled to receive ₹ 30,000/- as sitting fees for attending each meeting of the Board.

Details of the remuneration paid to our Independent Directors in Fiscal 2024 are as follows:

Name of Independent Director	Remuneration (in ₹ million)
Sanjiv Paul	0.06
Mukesh Kumar Agarwal	0.03
Deepa Verma	0.06
Gurvinder Singh Ahuja	0.06

Remuneration paid or payable to our Directors by our subsidiaries or associates

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associates.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Other than as disclosed under "*Capital Structure – Details of shares held by our Directors, Key Managerial Personnel and Senior Management*" on page 103, none of our Directors hold any Equity Shares as on the date of this Red Herring Prospectus.

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees, if any thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

All our Directors may be deemed to be interested to the extent of Equity Shares held by them or by their relatives, if any, or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, or that may be subscribed by or Allotted to them pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Other than Sudhir Rai and Anita Rai who are the initial subscribers to our Memorandum of Association and the Promoters of our Company and are interested as disclosed in the section titled "*Our Promoter and Promoter Group – Interests of the Promoters*" on page 248, none of our Directors have any interest in the promotion or formation of our Company other than in the ordinary course of business.

Except as stated in the section titled "*Restated Financial Information*" on page 253, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

None of our Directors have any interest in any property acquired by our Company or proposed to be acquired of our Company or by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors and/or as Key Managerial Personnel.

Our Company does not have any bonus or profit-sharing plan for our Directors. Further, there is no contingent or deferred compensation payable to our Directors at a later date.

Further, except to the extent of the sale of the Equity Shares in the Offer for Sale by the Promoter Selling Shareholder, who are also the Directors of our Company, there are no material existing or anticipated transactions whereby our Directors will receive any portion of the proceeds from the Offer. For further details, please refer to the section titled "*Objects of the Offer*" on page 107.

Other confirmations

None of our Directors have given any guarantees to any third party, with respect to the Equity Shares, as of the date of this Red Herring Prospectus.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Changes in the Board in the last three years

Sr. No.	Name	Date of appointment/change/ cessation	Reason
1.	K Suresh Babu	July 25, 2022	Appointment
2.	K Suresh Babu	October 21, 2023	Cessation
3.	Sanjiv Paul	October 26, 2023	Appointment as Independent Director
4.	Mukesh Kumar Agarwal	October 26, 2023	Appointment as Independent Director
5.	Deepa Verma	October 26, 2023	Appointment as Independent Director
6.	Gurvinder Singh Ahuja	October 26, 2023	Appointment as Independent Director

Borrowing powers of the Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Board of our Company on October 21, 2023 and a resolution passed by the shareholders of our Company on October 26, 2023, our Board is authorized to borrow such monies which together with the money already borrowed does not exceed the limit of ₹ 3,000.00 million.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to the composition of the Board and constitution of the committees thereof and formulation and adoption of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. As on the date of this Red Herring Prospectus, our Board comprises eight Directors including four Executive Directors and four Independent Directors. Our Company has one independent women Director.

Committees of the Board

In addition to the committees of our Board described below, our Board has also constituted an IPO Committee and may also constitute committees for various functions from time to time.

Audit Committee

The members of the Audit Committee are:

1. Sanjiv Paul, (Chairperson);
2. Gurvinder Singh Ahuja, (Member);
3. Sudhir Rai, (Member).

The Audit Committee was constituted by a meeting of the Board of Directors held on October 21, 2023. The terms of reference of the Audit Committee was approved by a meeting of the Board of Directors on October 21, 2023. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

Powers of the 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 and SEBI Listing Regulations.

Role of the 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 the 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 the 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. formulation of a policy on related party transactions, which shall include materiality of related party transactions;

5. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

6. 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;
   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.

7. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

8. 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 utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

9. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

    Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

11. scrutiny of inter-corporate loans and investments;

12. valuation of undertakings or assets of the Company, wherever it is necessary;

13. evaluation of internal financial controls and risk management systems;

14. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. discussion with internal auditors of any significant findings and follow up there on;

17. 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;

18. 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;

19. 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;

20. reviewing the functioning of the whistle blower mechanism;

21. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

22. overseeing the vigil mechanism established by the 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;

23. 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;

24. approve the disclosure of the key performance indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company;

25. carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

26. 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;

27. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

28. to carry out such other functions as may be specified by the Board of Directors from time to time or specified/ provided under the Companies Act or SEBI Listing Regulations or by any other regulatory authority.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Management letters / letters of internal control weaknesses issued by the statutory auditors;

c) Internal audit reports relating to internal control weaknesses;

d) The appointment, removal and terms of remuneration of the chief internal auditor;

e) Review the financial statements, in particular, the investments made by any unlisted subsidiary;

f) Statement of deviations in terms of the SEBI Listing Regulations:

   a. quarterly statement of deviation(s) including report of the 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; and
   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.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Deepa Verma, (Chairperson);
2. Mukesh Kumar Agarwal, (Member);
3. Gurvinder Singh Ahuja, (Member).

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on October 21, 2023. The terms of reference of the Nomination and Remuneration Committee were approved by a meeting of the Board of Directors on October 21, 2023. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 19 of the SEBI Listing Regulations.

Terms of reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   (i) For every appointment of an independent director, it shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the 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.

(ii) 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;

(iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

2. Formulation of criteria for evaluation of independent directors and the Board;

3. Devising a Policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

5. Analysing, monitoring and reviewing various human resource and compensation matters;

6. Deciding 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;

7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

   Explanation: The expression senior management means the officers and personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) , including the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

9. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Perform such functions as are required to be performed by the compensation committee under the SEBI SBEB Regulations, if applicable;

11. 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, the Company and its employees, as applicable.

12. Perform such other activities as may be delegated by the Board or specified / provided under the Companies Act to the extent notified and effective, as amended or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Sanjiv Paul, (Chairperson);
2. Sudhir Rai, (Member);
3. Kunal Rai, (Member).

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on October 21, 2023. The terms of reference of the Stakeholders Relationship Committee of our Company, as per Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act and the applicable rules thereunder, include the following:

Terms of reference for the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

1. To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;

2. 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.;

3. Reviewing of measures taken for effective exercise of voting rights by shareholders;

4. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

5. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

6. Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

7. Reviewing 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 the Company; and

8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Sudhir Rai, (Chairperson);
2. Anita Rai, (Member);
3. Sumeet Rai, (Member);
4. Deepa Verma, (Member)

The Corporate Social Responsibility Committee was last reconstituted by our Board of Directors at their meeting held on October 21, 2023. The terms of reference of the Corporate Social Responsibility Committee of our Company, as per Section 135 of the Companies Act and the applicable rules thereunder, include the following:

Functions of the Corporate Social Responsibility Committee:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy", including any amendments thereto, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder, as amended;

2. review and recommend the amount of expenditure to be incurred on the activities referred to in (1) above;

3. review and monitor the implementation of corporate social responsibility Policy from time to time, and make any revisions therein as and when decided by the Board and issue necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

4. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

5. review and recommend the amount of expenditure to be incurred on the activities referred to in (1) above and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

6. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

7. 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

8. 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 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

Risk Management Committee

The members of the Risk Management Committee are:

1. Sudhir Rai, (Chairperson);
2. Sumeet Rai, (Member);
3. Deepa Verma, (Member).

The Risk Management Committee was constituted by our Board of Directors at their meeting held on October 21, 2023. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations and the terms of reference of the Risk Management Committee of our Company, include the following:

1. To formulate a detailed risk management policy which shall include:

    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, 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.
    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

8. To review and recommend potential risk involved in any new business plans and processes;

9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;

10. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;

12. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors; and

13. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations.

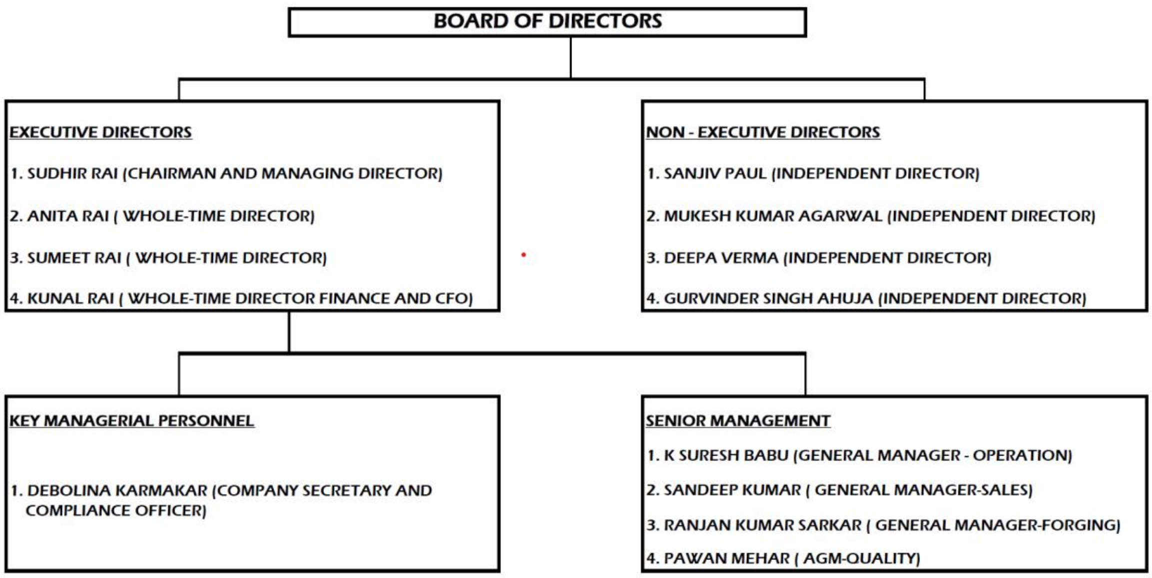
IPO Committee

The members of the IPO Committee are:

1. Sudhir Rai, (Chairperson);
2. Sumeet Rai, (Member);
3. Kunal Rai, (Member).

The IPO Committee was constituted by our Board pursuant to a resolution dated October 21, 2023, and the terms of reference were approved by our Board pursuant to a resolution dated October 21, 2023.

Management Organization Chart



Key Managerial Personnel

In addition to Sudhir Rai, our Chairman and Managing Director, Anita Rai and Sumeet Rai, our Whole-Time Directors, Kunal Rai our Whole-time Director (Finance) and CFO whose details have been provided under the section titled "*Brief biographies of Directors*" on page 234, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus, are as follows:

Debolina Karmakar is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India. She has a bachelor's degree in legislative law from Vidyasagar University. She was previously associated with Apex Fund Services LLP as an associate, and Hi-Tech Chemicals Limited as a Company Secretary. She received a remuneration of ₹ 0.21 million from our Company in Fiscal 2024.

Senior Management

In addition to the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, whose details are provided in "*– Key Managerial Personnel*" on page 244 the details of our other Senior Management are set out below:

K Suresh Babu is the General Manager (Operation) of our Company. He has a bachelor's degree in technology (mechanical engineering) from Jawaharlal Nehru Technological University and a master's degree in business administration from Anna University. He has also obtained a postgraduate certificate in business management from XLRI. He was previously associated with Faurecia Emission Control Technologies India Private Limited as manager – program manufacturing leader, and Rane Brake Lining Limited as assistant manager. He received a remuneration of ₹ 1.59 million from our Company in Fiscal 2024.

Sandeep Kumar is the General Manager (Sales) of our Company. He has a bachelor's degree in commerce from Karim City College Jamshedpur. He was previously associated with York Transport Equipment (India) Private Limited as deputy manager – sales. He received a remuneration of ₹ 2.05 million from our Company in Fiscal 2024.

Ranjan Kumar Sarkar is the General Manager (Forging) of our Company. He has a diploma in mechanical engineering from ICV Polytechnic and an advanced diploma in forge technology from National Institute of Foundry and Forge Technology. He was previously associated with Ramco Steels Private Limited as manager – forge. He received a remuneration of ₹ 1.64 million from our Company in Fiscal 2024.

Pawan Mehar is the AGM (Quality) of our Company. He has a passed the final term of diploma in mechanical engineering from Rajiv Gandhi Proudyogiki Vishwavidhyalaya. He has been associated with our Company since February 11, 2022. He received a remuneration of ₹ 1.66 million from our Company in Fiscal 2024.

Other than as disclosed under "*– Relationship between our Directors, Key Managerial Personnel and Senior Management*" on page 234, none of the Key Managerial Personnel or Senior Management are related to each other.

Status of the Key Managerial Personnel and Senior Management

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management

Other than as disclosed under "*Capital Structure – Details of shares held by our Directors, Key Managerial Personnel and Senior Management*" on page 103, none of our Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Red Herring Prospectus.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

None of the Key Managerial Personnel or Senior Management is party to any bonus or profit-sharing plan of our Company the management from time to time decides to give performance bonus to its employees.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers, or others, pursuant to which any Key Managerial Personnel or Senior Management was selected as a Key Managerial Personnel or Senior Management.

Contingent and deferred compensation payable to Key Managerial Personnel or Senior Management

There is no contingent or deferred compensation payable to Key Managerial Personnel or Senior Management.

Payment or benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders, and other than as disclosed in "*Our Promoters and Promoter Group*" on page 247.

Service contracts with Key Managerial Personnel and Senior Management

Other than statutory benefits upon termination of their employment in our Company on retirement and, none of our Key Managerial Personnel or Senior Management have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Interest of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, our KMPs are also interested in our Company to the extent of the unsecured loans provided by them to our Company.

Our Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

For further details please see the section titled "*Our Management – Interest of Directors*" on page 236.

Changes in the Key Managerial Personnel and Senior Management

There have been no changes in the Key Managerial Personnel and Senior Management in the last three years, other than as disclosed under "*– Changes in the Board in the last three years*" on page 237, are as follows:

Name	Designation	Date of change	Reason for change
Pawan Mehar	AGM- Quality	February 11, 2022	Appointment
Mukund Kedia	CFO	March 10, 2022	Cessation
Kunal Rai	CFO	March 10, 2022	Appointment
Bhupendrakumar Williyambhai Makwana	General Manager (Foundry)	December 22, 2022	Appointment
Rahul Rungta	Company Secretary	April 30, 2023	Cessation
Sangita Kumari Agarwal	Company Secretary	June 1, 2023	Appointment
Sangita Kumari Agarwal	Company Secretary	November 16, 2023	Cessation
Debolina Karmakar	Company Secretary and Compliance Officer	November 16, 2023	Appointment
Bhupendrakumar Williyambhai Makwana	General Manager (Foundry)	June 10, 2024	Cessation

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Employee stock option schemes

Our Company does not have any employee stock option scheme.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Sudhir Rai;
2. Anita Rai;
3. Sumeet Rai; and
4. Kunal Rai.

As on the date of this Red Herring Prospectus, our Promoters collectively hold 53,691,956 Equity Shares, equivalent to 99.26 % of the issued, subscribed and paid-up Equity Share capital of our Company on a fully diluted basis.

For details of the build-up of our Promoters' shareholding in our Company, please refer to the section titled "*Capital Structure – Notes to the Capital Structure – 5. History of the Equity Share capital held by our Promoters, Promoters' Contribution and lock-in – (c) Build-up of our Promoters' equity shareholding in our Company*" on page 95.

Details of our Promoters

Sudhir Rai

Sudhir Rai, aged 64 years, is one of our Promoters and is the Chairman and Managing Director of our Company.

For the complete profile of Sudhir Rai, i.e., his date of birth, age, residential address, educational qualifications, experience in the business or employment, business and financial activities, positions / posts held in the past and other directorships, please refer to the section titled "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of Directors*" on pages 232 and 234 respectively.

The permanent account number of Sudhir Rai is ABNPR1243C.

Anita Rai

Anita Rai, aged 60 years, is one of our Promoters and is the Whole-time Director of our Company.

For the complete profile of Anita Rai, i.e., her date of birth, age, residential address, educational qualifications, experience in the business or employment, business and financial activities, positions / posts held in the past, other directorships and special achievements, please refer to the section titled "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of Directors*" on pages 232 and 234 respectively.

The permanent account number of Anita Rai is ADDPR5309K.

Sumeet Rai

Sumeet Rai, aged 36 years, is one of our Promoters and is the Whole-time Director of our Company.

For the complete profile of Sumeet Rai, i.e., his date of birth, age, residential address, educational qualifications, experience in the business and employment, business and financial activities, positions / posts held in the past, other directorships and special achievements, please refer to the section titled "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of Directors*" on pages 232 and 234 respectively.

The permanent account number of Sumeet Rai is AJNPR1639Q.

Kunal Rai

Kunal Rai, aged 32 years, is one of our Promoters and is the Whole-time Director (Finance) and CFO of our Company.

For the complete profile of Kunal Rai, i.e., his date of birth, age, residential address, educational qualifications, experience in the business and employment, business and financial activities, positions / posts held in the past, other directorships and special achievements, please refer to the section titled "*Our Management – Board of Directors*" and "*Our Management – Brief Biographies of Directors*" on pages 232 and 234 respectively.

The permanent account number of Kunal Rai is BCCPR0998D.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhaar card number and driving license number (except for Anita Rai, who does not hold a driving license) of each of our Promoters was submitted to the Stock Exchanges, at the time of filing of the Draft Red Herring Prospectus.

Change in the management and control of our Company

There has been no change in the control of our Company in the last five years immediately preceding the date of this Red Herring Prospectus.

Interests of the Promoters

Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; (ii) to the extent they along with their relatives and the entities which form part of the Promoter Group, hold Equity Shares in our Company; and (iii) to the extent of any dividends payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For details of the shareholding of our Promoters and members of the Promoter Group in our Company, please refer to the section titled "*Capital Structure – Shareholding of our Promoters and members of the Promoter Group*" on page 99. For further details of related party transactions involving the Promoters, please refer to the section titled "*Restated Financial Information – Note 40 – Related Party Disclosures*" on page 289.

Our Promoters are also interested in our Company to the extent of being Directors of our Company and the remuneration and other fees payable to them in such capacities. For further details, please refer to the sections titled "*Our Management – Interest of Directors*" on page 236.

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company within the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

Further, our Promoters are also directors on the boards, or are partners, shareholders, and trustees of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details, please refer to the section titled "*Restated Financial Information – Note 40 – Related Party Disclosures*" on page 289.

Except as disclosed in the section titled "*Restated Financial Information –Note 40 – Related Part Disclosures*" on page 289, our Company has not entered into any contracts, agreements or arrangements during the two years immediately preceding the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

As on the date of this Red Herring Prospectus, no loans have been availed by the Promoters from our Company.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Our Promoters are not interested as members of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company in which they are interested as members, in cash or shares or otherwise by any person either to induce them to become, or to help them qualify as Directors, or otherwise for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

Payment or benefits to Promoters or Promoter Group

Except as stated above, and otherwise as disclosed in the sections titled "*Restated Financial Information –Note 40 – Related Party Disclosures*" and "*Our Management – Payments or benefits to Directors of our Company*" on pages 289 and 236 respectively, no amount or benefit has been paid or given to our Promoters or Promoter Group during the two years prior to the filing of this Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

Common pursuits

As on the date of this Red Herring Prospectus, except for Tuff Seals Private Limited, which is authorised under its memorandum of association to engage in the business similar to that of our Company, there are no common pursuits between our Group Company and our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firms during the last three years preceding the date of this Red Herring Prospectus.

Material guarantees

Our Promoters have not given any material guarantees to any third party, with respect to the Equity Shares, as of the date of this Red Herring Prospectus.

Confirmations

Sudhir Rai and Anita Rai are the original promoters of our Company.

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

Neither our Promoters nor members of the Promoter Group have been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI, or any other regulatory or governmental authority.

Our Promoters are not, and have not been in the past, promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters have not been declared as Fugitive Economic Offenders.

For details in relation to legal proceedings involving our Promoters, please refer to the section titled "*Outstanding Litigation and Material Development – Litigation proceedings involving our Promoters*" on page 336.

For other relevant confirmations in relation to our Promoter and members of our Promoter Group, please refer to the section titled "*Other Regulatory and Statutory Disclosures*" on page 346.

Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group as on the date of this Red Herring Prospectus, in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

Natural persons who are part of the Promoter Group

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters) are as follows:

Name of the Promoter	Name of the relative	Relationship with the Promoter
Sudhir Rai	Anita Rai	Spouse
	Sunanda Burman	Sister
	Sujata Singh	Sister
	Mona Jay Kamani	Sister
	Sumeet Rai	Son
	Kunal Rai	Son
	Prem Batra	Spouse's mother
	Anup Batra	Spouse's brother
Anita Rai	Sudhir Rai	Spouse
	Prem Batra	Mother
	Anup Batra	Brother
	Sumeet Rai	Son
	Kunal Rai	Son
	Sunanda Burman	Spouse's sister
	Sujata Singh	Spouse's sister
	Mona Jay Kamani	Spouse's sister
Sumeet Rai	Paulomi Sanyal Rai	Spouse
	Anita Rai	Mother
	Sudhir Rai	Father
	Kunal Rai	Brother
	Aayush Rai	Son
	Debasis Girijabhusan Sanyal	Spouse's father
	Indrani Sanyal	Spouse's mother
Kunal Rai	Manasawi Dua	Spouse
	Sudhir Rai	Father
	Anita Rai	Mother
	Sumeet Rai	Brother
	Aariv Rai	Son
	Hemant Kumar Dua	Spouse's father
	Shailley Dua	Spouse's mother
	Gandharva Dua	Spouse's brother
	Smriti Dua	Spouse's sister

Entities forming part of the Promoter Group

1. Tuff Seals Private Limited
2. Bull Auto Parts
3. Narbheram Enterprises LLP
4. Keshav Agencies LLP

5. Dipak Rai HUF
6. Narbheram H Kamani Charity Trust

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares and other Specified Securities, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, including the Companies Act and other applicable law. Our Board has, *vide* a resolution dated October 21, 2023 adopted a formal dividend distribution policy ("**Dividend Policy**").

In terms of our Dividend Policy, our Board shall consider, *inter alia*, the following internal and external parameters while declaring or recommending dividends to our Shareholders:

(i) profits earned and available for distribution during the financial year; (ii) retained earnings; (iii) earnings outlook for next three to five years; (iv) long-term investment proposals, capital restructuring, debt reduction;; (v) crystallization of contingent liabilities of the Company; (v) any other relevant factors and material events as may be deemed fit by our Board; (vi) cash flows; (vii) debt repayment schedules, if any; (viii) fund requirement for contingencies and unforeseen events with financial implications.

In addition, our ability to pay dividends may be impacted by a number of other factors, including any regulatory or statutory changes significantly affecting the business and technological changes necessitating significant investments in the businesses. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

Except as disclosed below, our Company has not declared and paid any dividends on the Equity Shares in Fiscal 2024, Fiscal 2023, Fiscal 2022 and the period from April 1, 2024 till the date of this Red Herring Prospectus:

Particulars	April 1, 2024 till the date of this Red Herring Prospectus	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of Equity Shares	54,092,756	54,092,756	13,523,189	13,523,189
Face value of Equity Shares (in ₹)	5	5	10	10
Final Dividend per Equity share (in ₹)	Nil	Nil	1*	Nil
Interim Dividend per Equity share (in ₹)	Nil	Nil	Nil	Nil
Total amount of dividend paid (in ₹ millions)	Nil	Nil	13.52	Nil
Dividend rate (%)	Nil	Nil	10	Nil
Dividend distribution tax (%)	Nil	Nil	NA	Nil
Dividend Distribution Tax (in ₹)	Nil	Nil	NA	Nil

** Our Company has paid the final dividend of ₹1 per equity share of ₹ 13.52 million in respect of Fiscal 2022 in Fiscal 2023.*

While we have undertaken issuances of bonus Equity Shares in the past, as disclosed in the section "*Capital Structure – Notes to Capital Structure – Share capital history of our Company*" on page 89, there can be no assurance that we will be able to issue bonus Equity Shares in the future, including on account of unavailability of appropriate reserves or profits. For further details, see "*Risk Factors – Our Company may not be able to pay dividends or issue bonus shares in the future. Our ability to pay dividends or issue bonus shares in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*." on page 59.

SECTION VII: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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OTHER FINANCIAL INFORMATION

Accounting ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 27, 253 and 205, respectively:

Particulars	As at and for the year ended March 31,		
	2024	2023	2022
Earnings per share (basic)[1] (in ₹)	8.30	5.72	2.25
Earnings per share (diluted)[2] (in ₹)	8.30	5.72	2.25
Return on net worth[3] (%)	30.57%	30.29%	16.81%
Net asset value per Equity Share (in ₹)[4]	27.14	18.88	13.39
EBITDA[5] (in ₹ million)	807.58	575.22	295.48

Notes:

1. *Basic EPS (₹) = Basic earnings per share are calculated by dividing the restated profit for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for bonus issue in ratio of 1:1 where allotment was done on November 9, 2023 and split in face value of shares from ₹ 10 per share to ₹ 5 per share which was effective from November 17, 2023. The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*
2. *Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the restated profit for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for bonus issue in ratio of 1:1 where allotment was done on November 9, 2023 and split in face value of shares from ₹ 10 per share to ₹ 5 per share which was effective from November 17, 2023 and for the effects of all dilutive potential Equity Shares during the year. The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*
3. *Return on net worth is calculated as restated profit for the year divided by total equity.*
4. *Net asset value per equity share is calculated as total equity divided by weighted average number of equity shares as adjusted for bonus issue in ratio of 1:1 where allotment was done on November 9, 2023 and split in face value of shares from ₹ 10 per share to ₹ 5 per share which was effective from November 17, 2023. The total reserves & surplus of the Company prior to the bonus issue, as at March 31, 2023, was ₹ 885.83 million out of which ₹ 135.23 million was utilized for issue of bonus shares. Upon completion of the bonus issue (but not accounting for any other adjustments during Fiscal 2024), the Company had reserves and surplus of ₹ 750.60 million.*
5. *EBITDA is calculated as restated profit for the year minus other income plus finance costs, depreciation and amortisation expense and total tax expense.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Fiscals 2024, 2023 and 2022 (collectively, the **"Audited Financial Statements**") are available on our website at www.krosslimited.com

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and reports thereon do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor the BRLM, nor 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 Financial Statements, or the opinions expressed therein.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this section, is set out below:

Reconciliation of Restated Profit for the year to EBITDA and EBITDA Margin

The table below reconciles restated profit for the year to EBITDA. EBITDA is calculated as profit for the year minus other income plus finance costs, depreciation and amortisation expense and total tax expense, while EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(₹ million, unless otherwise stated)

Particulars	As at and for the year ended March 31,		
	2024	2023	2022
Profit for the year (I)	448.81	309.31	121.69
Other income (II)	12.14	7.29	4.26
Finance costs (III)	148.96	122.19	81.61
Depreciation and amortization expense (IV)	57.86	43.22	55.03
Total tax expense (V)	164.09	107.79	41.41
EBITDA (VI = I-II+III+IV+V)	**807.58**	**575.22**	**295.48**
Revenue from operations (VII)	6,202.50	4,886.28	2,974.55
EBITDA Margin (%) (VIII) = (VI/VII)	**13.02%**	**11.77%**	**9.93%**

Reconciliation of total equity to net asset value per equity share

The table below reconciles total equity to net asset value per equity share. Net asset value per equity share is calculated as total equity divided by weighted average number of equity shares.

Particulars	As at and for the year ended March 31,		
	2024	2023	2022
Total equity (I) (₹ million)	1,468.05	1,021.06	724.04
Weighted average number of equity shares (II)	54,092,756	54,092,756	54,092,756
Net Asset Value per equity share (III) = (I/II) (₹ per share)	**27.14**	**18.88**	**13.39**

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for Fiscals 2024, 2023 and 2022, read with the SEBI ICDR Regulations, and as reported in the Restated Financial Information, see "*Restated Financial Information – Note 40 – Related Party Disclosure* on page 289.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2024, on the basis of our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 253 and 305 respectively.

(*in ₹ million, except ratio*)

Particulars	Pre-Offer as at March 31, 2024	As Adjusted for the Offer#
Borrowings		
Current borrowings * (A)	814.45	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings) * (B)	356.59	[●]
Total borrowings (C)	**1,171.04**	[●]
Equity		
Equity share capital *	270.46	[●]
Other equity *	1,197.59	[●]
Total Equity (D)	**1,468.05**	[●]
Total Capital	**2,639.09**	[●]
Ratios:		
Ratio: Non-current borrowings (including current maturity and interest accrued and due on borrowings)/ Total equity (B/D)	0.24	[●]
Ratio: Total Borrowings / Total Equity (C/D)	0.80	[●]

**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013, as amended.*
#To be updated post the Offer in the Prospectus prior to the filing with the RoC.

Notes:

1) *The above table has been derived from the Restated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company has availed certain loans and financing facilities in the ordinary course of our business purposes such as, *inter alia*, meeting our working capital or operational requirements. For details regarding the borrowing powers of our Board, please refer to the section titled "*Our Management – Borrowing powers of the Board*" on page 237.

Set forth below is a brief summary of our aggregated outstanding borrowings (excluding vehicle loans) as on June 30, 2024.

Category of borrowing	Sanctioned amount as on June 30, 2024	Outstanding amount as on June 30, 2024
Secured		
Term Loan	742.29	331.44
Working Capital Facilities		
Fund based	1,015.00	886.50
Non-Fund based	100.00	50.73
Total Secured	**1,857.29**	**1,268.67**
Unsecured		
Loan from Directors	17.60	17.60
Total Unsecured	**17.60**	**17.60**
Total	**1,874.89**	**1,286.27**

** As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated August 22, 2024.*

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
Axis Bank Limited	June 24, 2024	Cash Credit	385.00	62.76	9.1% p.a.	12	**Working capital**: Primary: Extension of hypothecation of entire current assets of the borrower, both present and future, Extension of hypothecation of entire moveable and immoveable fixed assets of the borrower (except which are specifically charged axis bank or other lenders), both present and future, first pari passu basis with DBS Bank India Ltd and HDFC Bank. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold Industrial property situated at Unit II. Property at C-78, Phase II, Industrial Area Adityapur plot size 15000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (2) Leasehold Industrial property situated at Plot No. B 30 & 31 phase III Industrial Area Adityapur plot size 60000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (3) Leasehold Industrial property situated at - M4 phase VI (4)	To meet the working capital requirements	**Working Capital & Term Loan** - 4% (within 12 months), 3% (12 to 24 months), 2% (more than 24 months)
	June 24, 2024	WCDL (sub limit of CC)	300.00	240.00	8.85% p.a.	12		To meet the working capital requirements	
	June 24, 2024	Export credit facility (sub limit of CC)	40.00	-	SOFR+1.00 p.a.	N.A.		To meet the working capital requirements	
	June 24, 2024	Foreign Bills Purchased	40.00	-				To meet the working capital requirements	
	June 24, 2024	SBLC for buyer credit (sub limit of CC)	85.00	-	1% (Commission) p.a.+ GST	N.A.		For availment of buyers credit	
	June 24, 2024	BG	30.00	-	1% (Commission) p.a.+ GST	N.A.		In favour of govt./ semi-gov. departments, earnest money for traders or any other in connection with the	

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							Leasehold Industrial property situated at Plot No M2 phase IV Industrial Area Adityapur plot size 72000 sq. Ft. Seraikela-Kharsawan Jharkhand (832108) (5) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P), 819(P), 820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortgage of the following property on exclusive basis (6) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- Seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 1: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P), 820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita	trade/activities of borrower	
	June 23, 2023	Term Loan-3	17.62	9.72	9.75% p.a	18		Take over from Canara bank	
	October 27, 2021	Term Loan-1	80.38	25.36	9.75% p.a	17		Take over from Federal bank	
	October 27, 2021	Term Loan-2 (Existing)	20.00	9.66	9.75% p.a	28		For Procurement of P&M/Equipment and related civil cost at Unit V	
	June 24, 2024	Term loan - 4	200.00	10.48	9.50% p.a	67		Plant & Machinery at its various unit.	
	October 27, 2021	WCTL-ECLGS-2	37.26	15.53	9.25% p.a	20		For takeover of term loan under ECLGSS from federal bank ltd at its existing level under ECLGS.	
	June 23, 2023	WCTL-ECLGS-1	21.70	19.44	9.25% p.a.	44		as per existing terms	
	June 23, 2023	WCTL-ECLGS-3	17.19	10.31	9.25% p.a	19		To meet the liquidity mismatch arising out of covid-19 under ECLGS scheme	
	June 23, 2023	WCTL-ECLGS-4	13.70	11.42	9.25% p.a	30		To meet the liquidity mismatch arising out of covid-19 under ECLGS scheme	

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							Rai. Term loan 2: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortgage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: - 131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 3: Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold Industrial property situated at Unit II. Property at C-78, Phase II, Industrial Area Adityapur plot size 15000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (2) Leasehold Industrial property situated at Plot No. B 30 & 31 phase III Industrial Area Adityapur plot size 60000 sq. Ft. Seraikela-Kharsawan Jharkhand (832109) (3) Leasehold Industrial property situated at - M4 phase VI (4) Leasehold Industrial property situated at Plot No M2 phase IV Industrial Area Adityapur plot size 72000 sq. Ft. Seraikela-Kharsawan Jharkhand (832108) (5) Leasehold industrial		

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P),820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (6) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term loan 4: Primary: Exclusive charge on the P&M and factory to be procured/setup out of the proceeds of the term loan. Collateral: Extension of equitable mortgage of the following property/ies on pari passu basis: (1) Leasehold industrial property situated at Plot No. N56, Phase V, corresponding to RS Plot No. 811(P), 812,813,815(P),819(P), 820, acres situated at village basubad, Adityapur Seraikela kharsawan Jharkhand (832108). Fresh Equitable mortagage of the following property on exclusive basis (2) Industrial property situated at B-32, B-33, B-34, 3rd phase, mouza:- Asangi, P.S :- seraikela, thana no: -131, Industrial Area, Adityapur Seraikela kharsawan Jharkhand (832109). Personal Guarantor/s: Mr. Kunal Rai, Mr. Sumeet Rai, Mr. Sudhir Rai & Mrs. Anita Rai. Term Loan- ECLGS: Second charge on primary & collateral security except guarantees. 100% guarantee from NCGTC.(National Credit		

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							Guarantee Trustee Company Limited)		
	April 26, 2024	ADH OC-Cash Credit	130.00	131.03	9.60% p.a	2	Primary: Subservient charge on current assets and moveable fixed assets of the company (except assets specifically financed by other Banks/FI and motor vehicles, if any) both present and future. Collateral: Equitable mortgage of the following property: Industrial plot no- NS-06, 5th phase, Industrial area, Adityapur, dist: - Seraikella-Kharsawan, pin code: -832108. Personal Guarantors: Sudhir Rai, Anita Rai, Sumeet Rai & Kunal Rai	To meet temporary mismatches in working capital	N.A.
DBS India Limited	August 4, 2023	Cash Credit (OD/CC)	200.00	150.00	9.3% p.a.	1	Sanction Letter Dated: 4th Aug, 2023 Primary Security: (1) Pari Passu first charge with Canara, HDFC and Axis Bank over the entire current assets of the company, both present & future (Except invoices discounted under Bill Discounting facility with Kotak Mahindra Bank) for WC facilities and TL of Canara Bank. (2) Pari passu first charge with Canara Bank, HDFC & Axis Bank on movable fixed assets (except which are specifically charged to the other lenders) for WC Facilities and TL of Canara Bank. Collateral Security: Unit I Part A: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 179(P) and 819(P), Total Area:-43,565 Sq.ft Unit I Part B: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 179(P), Total Area:-21,708 Sq. ft. Unit II: Pari	To meet the working capital requirements	4% + applicable GST

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at C-78, 3rd Phase, Industrial Area Adityapur, Survey Plot No. Khata No. 631 (P) 82, Total Area:- 15,000 Sq. ft. Unit III: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at M-04P, 6th Phase, Industrial Area Adityapur, Survey Plot No. 1311(P)/1312(P)/1313(P)/ 1315(P)/1316(P). Khata No. 43 Plot No. B-30 & B-31. 3rd Phase, Total Area: - 60,000 Sq. ft. Unit IV: Pari passu first charge with Canara, HDFC & Axis Bank on the leasehold property in Jamshedpur at Plot No. M-02P, 4th Phase, Industrial Area Adityapur, Total Area: - 1.65 Acres. Cash Margin of 15% on LC/ BG Limits. Personal Guarantees of- Mr. Sudhir Rai, Mrs. Anita Rai, Mr. Sumeet Rai and Mr. Kunal Rai		
HDFC Bank Limited	November 14, 2023	Cash Credit	300.00	302.71	rate as per previous sanction letter	4	Secured by pari passu first charge on stock with and receivables up to 120 days pari passu first charge on specified lease hold property of Company, Pari-passu first charge on entire Plant and Machinery (Excluding Assets specifically financed by Siemens and L&T Finance) and fixed deposit. Industrial property- first pari passu charge on below property (1) Plot No M4, phase 6, industrial area Adityapur (2) plot no C-78, phase 3 industrial area Adityapur (3) Plot no B30& 31, phase 3 industrial area Adityapur (4) plot no M2, phase 4 industrial area Adityapur.	To meet the working capital requirements	No prepayment penalty shall be charged
	November 14, 2023	LC	70.00	50.73		4		To meet the working capital requirements	No prepayment penalty shall be charged
	December 28, 2022	Term Loan	75.00	62.89	8.85% p.a	43		Capex	As applicable
	July 12, 2022	Term Loan	35.00	24.82	(8.25% to 9.08%) p.a	38		Capex	As applicable
	October 25, 2023	Term Loan	80.00	75.48	9% p.a	45		Capital expenditure for purchase of machines in Jamshedpur Unit V for expansion	As applicable
	January 12, 2023	GECL - WCTL	98.00	26.61	7.25% p.a.	19		To augment working capital requirement to enable	No prepayment penalty shall be charged

Name of lender	Date of Sanction letter/ loan agreement	Nature of borrowing	Amount Sanctioned	Amount Outstanding as at June 30, 2024	Applicable rate of interest	Remaining Tenor as on June 30, 2024 (in months)	Security	Purpose for which the loan was sanctioned and utilized	Prepayment penalty/ conditions
							For term loan: Secured by Pari-passu second charge over the entire current assets of the Company, both present and future, exclusive charge on Plant and Machineries procured from the Term Loan and there is personal guarantees from promoters: Kunal Rai, Sudhir Rai, Anita Rai and Sumeet Rai on all facilities except on LC, GECL-WCTL & GECL-WCTL 2(Extn).	business unit to meet operating liabilities & restart/increase operation	
	January 4, 2022	GECL - WCTL 2 (Extn)	31.95	25.00		46		To augment working capital requirement to enable business unit to meet operating liabilities & restart/increase operation	No prepayment penalty shall be charged
Siemens Financial Services Private Limited	March 8, 2021	Term loan-A9581787	4.90	1.09	10.50% p.a	8	Secured by hypothecation of respective assets financed and also secured by the personal guarantee of promoters: Sudhir Rai and Anita Rai.	Equipment Purchase	4% on prepaid amount
	September 14, 2021	Term loan-A9718734	6.90	2.57	10.25% p.a	15		Equipment Purchase	4% on prepaid amount
	October 25, 2021	Term loan-A9740583	1.16	0.44	10.00% p.a	16		Equipment Purchase	4% on prepaid amount
	November 9, 2021	Term loan-A9757699	1.53	0.62	10.00% p.a	17		Equipment Purchase	4% on prepaid amount
Total			**1,857.29**	**1,268.67**					

** As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated August 22, 2024.*

Principal terms of the facilities sanctioned to our Company:

The details below are indicative and there may be additional terms, conditions and requirements under the various borrowing agreements entered into by our Company.

1. ***Interest:*** In respect of the facilities sanctioned to our Company, the current prevailing interest rate ranges from 7.50% per annum to 10.50% per annum. The interest rate for the loans sanctioned to our Company is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.

2. ***Tenor:*** Typically, the tenor of the facilities sanctioned to our Company are as follows:

    a) Term loans: for a period of up to 84 months; and

    b) Cash credit/Working capital facility: for a period of up to 12 months.

3. ***Security:*** The facilities sanctioned are typically secured by way of hypothecation on our assets, plant and machinery, furniture and machinery spares, and charge on fixed and current assets (including book debts and receivables). The Promoters of the Company, namely Sudhir Rai, Anita Rai, Sumeet Rai and Kunal Rai, have provided their personal guarantee for certain loans availed by the Company from banks and financial institutions with respect to the sanctioned facilities to Axis Bank Limited, HDFC Bank Limited, DBS India Bank. Further, Sudhir Rai and Anita Rai have also given personal guarantee with respect to the loan availed

by the Company from Siemens Financial Services Private Limited. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

4. ***Pre-payment:*** The facilities availed by our Company allow pre-payment. Certain facilities allow for pre-payment of the outstanding amount by serving prior notice to the lender. Pre-payment may be subject to pre-payment penalties as may be prescribed. These pre-payment penalties typically range from 2.00% to 6.00% of the principal amount or of the amount being prepaid.

5. ***Re-payment:*** Our Company may repay all amounts of the facilities on the due dates for payment. Certain of our loans are repayable on demand.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, among others:

   a) failure or inability to pay outstanding principal and interest amounts on due dates;
   b) providing incorrect or misleading information and representations;
   c) providing inadequate security or insurance;
   d) liquidation or dissolution of our Company;
   e) cessation or change in business or control of our Company;
   f) cross default; and
   g) default in the performance of any covenant, condition or undertaking on our part.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

7. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

   a) terminate and cancel either whole or part of the facility;
   b) suspend further access/drawals, either in whole or in part, of the facility;
   c) appoint a nominee director on the Board;
   d) impose a monetary penalty;
   e) accelerate repayments/ initiate recall of the loans.

8. ***Restrictive Covenants:*** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:

   a) any change in the ownership or control of the Company whereby the effective beneficial ownership or control of the Company shall change;
   b) any material change in the management of the business;
   c) any amendments in the memorandum and articles of association;
   d) change in shareholding pattern;
   e) resort to any additional borrowing in the Company;
   f) invest in, extend any advance or loans, to any group companies, associates, subsidiary or any other third party;
   g) diversify into non-core areas viz., business other than the current business;
   h) undertake any new project without demonstrating the financial viability of the same to the lenders;
   i) any change in its capital structure (including any change in the shareholding pattern which shall in any way be subject to the provisions of the finance documents);
   j) implement any scheme of expansion/ diversification or capital expenditure or acquire fixed assets (except normal replacement indicated in funds flow statement submitted to and approved by the lender) if such investment results in breach of Financial Covenants or diversion of working capital funds on financing of long term assets;
   k) implement any scheme of expansion / modernization / diversification.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company, that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing agreements entered into by our Company, which may lead to consequences other than those stated above. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

9. ***Past Defaults:*** We have not encountered any instances of default with the terms of our borrowings in the past three fiscal years. For further details in relation to risks associated with compliance with covenants of our borrowings, please see "*Risk Factors – A failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may cause us to default on these agreements, which may adversely affect our ability to conduct our business and operations*." on page 47.

For the purpose of the Offer, our Company has obtained the necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Offer, such as, inter alia, effecting changes to our shareholding and making amendments to our memorandum and articles of association.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factor-A failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may cause us to default on these agreements, which may adversely affect our ability to conduct our business and operations*" on page 47.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Financial Information (including the schedules, notes and material accounting policies thereto), included in the section titled "Restated Financial Information" beginning on page 253 of this Red Herring Prospectus.

Our Restated Financial Information has been derived from (i) our audited financial statements for Fiscal 2024 and Fiscal 2023; and (ii) our audited special purpose financial statements for Fiscal 2022, and have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements for Fiscal 2024 and 2023 and our audited special purpose financial statements for Fiscal 2022 are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated or the context requires otherwise, the financial information for the Fiscals 2024, 2023, and 2022 included herein have been derived from our restated statements of assets and liabilities as of March 31, 2024, March 31, 2023 and March 31, 2022 and restated statements of profit and loss (including other comprehensive income), restated statements of cash flows and restated statements of changes in equity for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022 of the Company, together with the statement of material accounting policies, and other explanatory information thereon.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 17 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 27 and 195, respectively, of this Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment" dated August 2024 (the "**CRISIL Report**") prepared and released by CRISIL Limited and commissioned and paid for by us in connection to the Offer. A copy of the CRISIL Report will be available on the website of our Company at www.krosslimited.com from the date of this Red Herring Prospectus. 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.*

Unless otherwise stated, references to "the Company", "our Company", "we", "us", and "our" are to Kross Limited.

Overview

We are a diversified player focused on manufacturing and supply of trailer axle and suspension assembly and a wide range of forged and precision machined high performance safety critical parts for medium and heavy commercial vehicles ("**M&HCV**") and farm equipment segments. We are widely recognized as one of the prominent manufacturers of trailer axles and suspension assembly in India *(Source: CRISIL Report).* In 2019, we commenced manufacture and sale of trailer axle and suspension assemblies and have witnessed robust growth between Fiscal 2021 and Fiscal 2024 *(Source: CRISIL Report).* We have become one of the fastest growing player in the organised trailer axle manufacturing industry competing with major trailer axle manufacturers *(Source:*

CRISIL Report). With over three decades of experience, we rely on our product development capabilities to design and deliver proprietary products such as trailer axle and suspension assembly. We are one of the few players domestically, with the competency to manufacture trailer axles and suspension assembly in-house *(Source: CRISIL Report).* Set out below are the revenues generated from various end-use industries and as a percentage of our revenue from sale of products:

(*in ₹ million, except percentages*)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	**% of total revenue from operations**	**Amount (in ₹ million)**	**% of total revenue from operations**	**Amount (in ₹ million)**	**% of total revenue from operations**
M&HCV*	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%
Farm Equipment	559.60	9.02%	592.73	12.13%	546.52	18.37%
Other Component/ Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

**M&HCV includes trailer axle and suspensions*

With a diversified portfolio of high performance and safety critical components for the M&HCV and farm equipment segments, we are a specialist in manufacturing of safety critical components for M&HCV segment which include axle shafts, companion flanges, anti-roll bars and stabilizer bar assembly, suspension linkages, differential spiders, bevel gears, planet carriers, inter-axle kits, rear end spindles, pole wheels and wide variety of tractor components for the hydraulic lift arrangement, power take-off ("**PTO**") shafts and front axle spindles.

We supply our products to a diversified client base which includes large original equipment manufacturers ("**OEMs**") manufacturing M&HCV and tractors, tier one suppliers to the OEMs in the M&HCV segment domestic dealers and fabricators for our trailer axle and suspension business. In the past we have been recognized by customers for the high-quality of the products supplied by us, which is one of the factors that has helped us establish long term relationships with several large domestic and global OEMs, including, Ashok Leyland Limited, a leading Indian automobile OEM and a Indian farm equipment OEM, each of whom we have been associated with for a period of more than 18 years and Tata International DLT Private Limited with whom we have been associated since 2019. Due to our track record and diverse product portfolio, we have also been able to attract new customers such as Leax Falun AB and a Japan based OEM manufacturing commercial vehicles. We have also commenced our bulk exports to Leax Falun AB, a Sweden based company manufacturing propeller shafts for commercial vehicle OEMs, in August 2023 with supplies of Universal Joint Crosses and are in stages of validation for other critical parts.

We are backward integrated with design, process engineering, forging, casting and machining capabilities which allows us greater control over process, timelines, pricing and quality. We believe that our in-house design capabilities have been instrumental in our success by allowing us to work closely with customers for design and development of high performance and safety-critical components and assemblies, such as, anti-roll bars and stabiliser bars, where we along with the OEM's design team, conceptualised the design and framework of the product. For our trailer axles and suspension assemblies, we are also forward integrated with a network of sales and service locations across key states in India, as of the date of this Red Herring Prospectus. Design, technology used for development, backward integration and after-sale service provided are crucial aspects for trailer axle manufacturers *(Source: CRISIL Report).* For our trailer axle and suspension assembly business, we operate our service on a mobile and on road basis, where once a complaint is registered by the customer, our service associate is deployed to the location of origin of the compliant to resolve the same. We have a custom service software developed by Sales force which gives us accurate tracking of service complaints as well as service history of the vehicle.

We operate out of five manufacturing facilities in Jamshedpur, Jharkhand, equipped with (i) forging presses and upsetters equipped with induction billet heaters, (ii) foundry with a high pressure mould line, (iii) high-precision machining equipment such as turning centres, vertical and horizontal milling centres, grinding, broaching, hobbing, shaping and robotic welding, (iv) in-house cathodic electro-disposition plant ("**CED Plant**"), powder coating, spray painting and (v) heat treatment furnaces and induction hardening equipment. Our manufacturing facilities (Units I, II, III, IV and V) have obtained ISO 9001:2015 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH and IATF 16949:2016 quality certifications for manufacture of axle shafts, universal joints (for steering and propeller shaft), differential spiders, companion flanges, anti-roll bar, bevel kit assembly and trailer axle assembly from TÜV NORD CERT

GmbH. Additionally, our Unit III manufacturing facility has also obtained ISO 14001:2015 for manufacture of axle shaft, universal joints and propeller shaft parts, differential spiders, companion flanges, bevel kit assemble and CED coating from TÜV NORD CERT GmbH and ISO 45001:2018 for manufacture of axle shaft, PTO shaft, lift shaft, ring gear, bevel gear assembly and related parts from TÜV NORD CERT GmbH.

We currently manufacture a large variety of components and have the capacity to manufacture forged parts of up to 40 kg input weight. We enhanced our backward integration capabilities by establishing a new casting facility at Unit V, setting up a high-pressure mould line foundry along with a machine shop. We are in the process of expanding our capacity and increasing our product offerings through the expansion of our existing facilities, through the addition of further production lines, which will allow us to produce a new line of parts such as the hydraulic cover for tractors and in-house machining line of hubs and brake drums. For further details of the proposed expansion, see "*Objects of the Offer – Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment*" on page 108.

Our Chairman and Managing Director, Sudhir Rai, has been an integral part in the establishment and growth of our Company and with over three decades of experience in the automotive component manufacturing industry, and has been instrumental in our continued growth. Most of the Key Management Personnel and the Senior Management Personnel of the Company have also been associated with us for more than a decade and have contributed to the growth of the Company through their commitment and expertise. We believe our experienced and dedicated senior management team also enables us to identify market opportunities, formulate and execute business strategies, manage customer expectations and proactively address changes in market conditions.

Our key performance indicators for the last three Fiscals are as follows:

Particulars	**As of/ For the year ended March 31,**		
	2024	**2023**	**2022**
Revenue from Operations (₹ million)	6,202.50	4,886.28	2,974.55
Total Income (₹ million)	6,214.64	4,893.57	2,978.81
Gross Profit (₹ million)(1)	2,643.47	1,989.19	1,371.69
Gross Margin (%)(2)	42.62%	40.71%	46.11%
EBITDA (₹ million)(3)	807.58	575.22	295.48
EBITDA Margin (%)(4)	13.02%	11.77%	9.93%
Restated Profit Before Tax (₹ million)	612.90	417.10	163.10
Restated Profit for the year (₹ million)	448.81	309.31	121.69
PAT Margin (%)(5)	7.22%	6.32%	4.09%
Return on Equity (%)(6)	30.57%	30.29%	16.81%
Return on Capital Employed (%)(7)	28.15%	27.51%	14.97%
Gross Block (i.e. cost of property, plant and equipment right of use assets, capital work-in-progress and cost of intangible assets) (₹ million)	1,678.68	1,398.34	1,222.97
Gross Fixed Assets Turnover Ratio (in times)(8)	3.69	3.49	2.43
Net Debt to EBITDA (in times)(9)	1.33	1.29	2.89

Notes:

1. *Gross profit is calculated as revenue from operations minus cost of raw materials and components consumed minus changes in inventories of finished products and work in progress.*
2. *Gross Margin is calculated as gross profit divided by Revenue from Operations.*
3. *EBITDA is calculated as restated profit for the year minus other income plus finance costs, depreciation and amortisation expense and total tax expense.*
4. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.*
5. *PAT Margin is calculated as restated profit for the year divided by total income.*
6. *Return on Equity is calculated as restated profit for the year divided by total equity.*
7. *Return on Capital Employed is calculated as EBIT divided by capital employed. Capital employed is calculated as total equity plus deferred tax liability plus lease liabilities (current and non-current) plus total borrowings while EBIT is calculated as restated profit for the year plus total tax expense plus finance costs.*
8. *Gross Fixed Assets Turnover Ratio is calculated as revenue from operations divided by Gross Block as at the end of the year.*
9. *Net Debt to EBITDA is calculated as net debt divided by EBITDA. Net Debt is calculated as total of non-current borrowings and current borrowings (including lease liabilities) minus total of cash and cash equivalents and bank balances.*

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures*" on page 322.

Principal Factors Affecting our Results of Operations and Financial Condition

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income.

Trends affecting demand in sectors our customers operate in

Demand for our products is directly related to the production and sales of M&HCV and farm equipment by our customers. Production and sales of M&HCV and farm equipment may be affected by general economic or industry conditions, improving industrial activity, agricultural output, the pace of infrastructure development as well as evolving regulatory requirements, government initiatives and trade agreements. Our sales are directly dependent on the production level of OEMs in M&HCV and farm equipment as well as manufacturers of tractor trailers and are affected by inventory levels of manufacturers operating in these industries. Set out below are the revenues generated from various end-use industries and as a percentage of our revenue from sale of products:

(*in ₹ million, except percentages*)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
M&HCV**	5,512.06	88.87%	4,043.46	82.75%	2,230.92	75.00%
Farm Equipment	559.60	9.02%	592.73	12.13%	546.52	18.37%
Other Component/ Service	130.85	2.11%	250.10	5.12%	197.11	6.63%
Total	**6,202.50**	**100.00%**	**4,886.28**	**100.00%**	**2,974.55**	**100.00%**

** M&HCVincludes trailer axle and suspensions*

Further, production and sales of the vehicles for which we supply products are affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts favouring other types of vehicles, fuel prices, vehicle electrification, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in these industries' supply chain, vehicle age, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions.

See "*Industry Overview*" on page 144, for a discussion of macroeconomic conditions in the global economy and Indian economy and trends affecting the demand for MH&CV and farm equipment.

Raw Material Costs and Operating Costs

Our business, financial condition, results of operations and prospects are significantly impacted by the prices of raw materials purchased by us, particularly prices of steel. The cost of raw materials consumed (including changes in inventories of finished products and work in progress) was ₹ 3,559.03 million, ₹ 2,897.09 million and ₹ 1,602.86 million in Fiscal 2024 2023 and 2022 which represented 57.27%, 59.02% and 53.81% of our total income for the respective periods. Raw material pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, fuel prices and availability, power tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs. While some of the contracts we have with our customers provide for pass through of any variation in the raw material costs, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the product prices for our customers, to account for the increase in the prices of such raw materials.

Our ability to manage our operating costs and operations efficiencies is critical to maintaining our competitiveness and profitability. Our profitability is partially dependent on our ability to increase our productivity and reduce our operating expenses.

Relationship with and dependence on key customers

We have established long-standing relationships with several large domestic and global OEMs, including, Ashok Leyland Limited, a leading Indian automobile OEM and a Indian farm equipment OEM, each of whom we have been associated with for a period of more than 18 years and Tata International DLT Private Limited with whom we have been associated since 2019. Due to our track record and diverse product portfolio, we have also been able to attract new customers such as Leax Falun AB and a Japan based OEM manufacturing commercial vehicles. We have also commenced our bulk exports to Leax Falun AB, a Sweden based company manufacturing propeller shafts for commercial vehicle OEMs, in August 2023 with supplies of Universal Joint Crosses and are in stages of validation for other critical parts.

Set out in the table below are our revenues from operations from our top three and top five customers, based on our Restated Financial Information during the Fiscals 2024, 2023 and 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Top three customers	3,086.03	49.75%	2,467.77	50.50%	1,620.91	54.49%
Top five customers	4,095.19	66.02%	3,340.95	68.37%	2,096.27	70.47%

We plan our production scheduled based on the forecasts from our customers, as is standard in the automotive and non-automotive sectors. Any increases or decreases in the levels of inventory and activity by our customers, in turn, are likely to have an effect on our revenues and our results of operations. Our customers, in turn, are dependent on general trends impacting their operation. See, "*– Trends affecting demand in sectors our customers operate in*" on page 308.

Success of new products and geographies

We entered the trailer axle and suspension assembly business in 2019, and have witnessed robust growth between Fiscal 2021 and Fiscal 2024, becoming one of the fastest growing players in the organized trailer axle manufacturing industry *(Source: CRISIL Report)*. Our revenues for operations from trailer axle and suspension business over the periods is as under:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation
Trailer axle and suspensions	2,690.50	43.38%	1,628.22	33.32%	668.96	22.49%

The trailer axle and suspension business differs significantly from our core business as this required us to set up distribution and servicing capabilities which were earlier not as critical in the component business. Having grown the business at a CAGR of 100.55% between Fiscal 2022 and Fiscal 2024, we intend to expand our product profile in axle business and will evaluate business segments which require similar capabilities. Once commissioned, we plan to utilize our capabilities in axle beam extrusion and seamless tube to explore areas of growth which are not available to us at this point in time.

Due to our track record and diverse product portfolio, we have also been able to attract new customers such as Leax Falun AB and a Japan based OEM manufacturing commercial vehicles. We have also commenced our bulk exports to Leax Falun AB, a Sweden based company manufacturing propeller shafts for commercial vehicle OEMs, in August 2023 with supplies of Universal Joint Crosses and are in stages of validation for other critical parts.The success of these industries, products and geographies depends on our management's ability to identify high growth potential opportunities and utilise our resources to develop these opportunities, which could have a significant impact on our results of operations.

Availability of funds for capital expenditure

We invest in machinery and equipment on an ongoing basis to expand our capacities as well as capabilities to seize opportunities for growth in the market. In the Fiscal 2024, 2023 and 2022, our cumulative capital expenditure (i.e. payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress)) was ₹ 580.43 million while our gross block (i.e. cost of property, plant and equipment, right of use assets, capital work-in-progress and cost of intangible assets) as at March 31, 2024 was ₹ 1,678.68 million. Around 34.58% of our gross block as at March 31, 2024, was a result of our capital expenditure made between beginning of Fiscal 2022 and Fiscal 2024.

We intend to use ₹ 700.00 million from the net proceeds from the Offer for further capital expenditure. We also intend to create manufacturing capabilities in axle beam extrusion and intend to backward integrate into the seamless tube. The actual amount and timing of our future capital expenditure may deviate from initial estimates due to various factors including unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological advancements, and emerging market developments and opportunities in the sectors we focus on.

Material Accounting Policies

Basis of Accounting and preparation of financial statements

The Restated Financial Information of the Company comprises of the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and a summary of material accounting policies and other explanatory information.

“The Restated Financial Information has been approved by the Board of Directors of the Company on August 20, 2024 and have been prepared in all material respects with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the “Act”), as amended from time to time;

(b) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "SEBI ICDR Regulations”), as amended from time to time, 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").

The Restated Financial Information has been compiled from:

Audited financial statement of the Company as at and for the year ended March 31, 2024 and March 31, 2023 and Audited Special Purpose Restated Financial Information for the year ended March 31, 2022 which were prepared in accordance with Indian Accounting Standard 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 (referred to as “Ind AS”), which have been approved by the Board of Directors at their meetings held on May 15, 2024, September 27, 2023 and November 30, 2023 respectively."

2.2 **Functional and presentation currency**

These Restated Financial Information are presented in Indian Rupees ₹, which is also the Company’s functional currency. All amounts have been rounded-off to the nearest Millions upto two decimals, unless otherwise stated.

2.3 **Basis of measurement**

These Restated Financial Information has been prepared on the historical cost basis except certain financial assets and liabilities which are measured at fair values.

2.4 **Use of estimates and critical accounting judgements**

In the preparation of the Restated Financial Information, the Company makes judgements, estimates and assumptions about the carrying value 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of the Restated Financial Information, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year are provided below:

(a) **Property, plant and equipment and intangible assets – useful life**

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Company at the time the asset is acquired and reviewed periodically, including at the end of each reporting period. The lives are based on historical experience with similar assets.

(b) **Assets and obligations relating to employee benefits**

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) **Lease classification, termination and renewal option of leases**

Ind AS 116, Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that the Company will continue the lease beyond non-cancellable period and whether any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to terminating the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no material changes are required to lease period relating to the existing lease contracts.

(d) **Contingent Liabilities**

At each balance sheet date, on the basis of the management judgment, changes in facts and legal aspects, the Company assesses the requirement of disclosure against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred."

3 **Material accounting policies**

Pursuant to the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective 01-04-2023, the company is required to disclose 'material accounting policy Information' in lieu of the earlier requirement of disclosing 'material accounting policies'. All accounting policies followed by the company are in accordance with the Indian Accounting Standards (Ind AS) notified u/s 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules,

2015 and conform to Schedule III to the Companies Act, 2013 as applicable. Specific disclosure of material accounting policy information where Ind AS permits options is made hereunder: The company has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

3.1 **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified current when it is:

(a) Expected to be realised or intended to be sold or consumed in the normal operating cycle

(b) Held primarily for the purpose of trading
(c) Expected to be realised within twelve months after the reporting period; or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified current when:

(a) It is expected to be settled in the normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include current portion of non- current financial liabilities. All other liabilities are classified as non - current.

Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

3.2 **Financial instruments**

(a) **Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue."

(b) **Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair value through profit or loss (FVTPL) or Fair value through other comprehensive income ('FVOCI')

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income ('FVOCI') if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and cash flows from sales; and
− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity instruments are always classified at fair value through profit and loss, except in cases where the Company has elected an irrevocable option of designating the same as fair value through other comprehensive income (FVOCI).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL :

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortized cost:

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVOCI :
These assets are subsequently measured at fair value through other comprehensive income i.e., subsequent changes in fair value of the instrument is recognised in other comprehensive income. Any dividend received on such instruments are recognised in Statement of Profit and Loss. "

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss."

(c) **Derecognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss."

(d) **Impairment of financial assets**

"Loss allowance for expected credit losses is recognised for the “financial assets measured at amortized cost” and “fair value through other comprehensive income”.

The Company has applied lifetime expected credit losses for determining loss allowances for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition."

(e) **Offsetting**

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) **Contract Assets**

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional, in the nature of unbilled receivables. Upon completion of the attached condition and acceptance by the customer, the amounts recognised as contract assets is reclassified to trade receivables upon invoicing. A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment.

(g) **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer)

3.3 **Revenue**

Revenue from contracts with customers is recognised when the control of the goods/services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods/services. Such revenue is recognised upon the Company'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 Company's future cash flow;
(5) The Company is likely to recover the consideration it is entitled to for the Transfer to customers.

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."

(a) **Sale of goods**

For contracts with customers for sale of goods, revenue is recognised net of discount and rebates, at a point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customers as per the terms of the contracts. Delivery happens when the goods have been shipped or delivered to the specific location, as the case may be, the risk of loss has been transferred, and either the customer has accepted the goods in accordance with the contracts or the Company has objective evidence that all criteria related for acceptance has been satisfied.

No element of significant financing is deemed present as the sales are generally made with a credit term which is consistent with the market practice. A receivable is recognised when the goods are delivered and this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) **Sale of Services**

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised over time as and when the customer receives the benefit of the Company's performance based on the actual service provided to as proportion of the total services to be provided. In case the service contracts include one performance obligation, revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

(c) **Dividend and interest income**

Dividend income is recognised when the company's right to receive payment has been established and that the economic benefits will flow to the Company and amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

3.4 **Government grants**

Government grants are recognised 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 expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

3.5 **Income Taxes**

Current tax

Current 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.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the Restated Financial Information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity."

3.6 **Foreign currencies**

Items included in the Restated Financial Information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's Restated Financial Information are presented in Indian Rupees, which is the Company’s functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss unless they relate to the qualifying cash flow hedges.

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.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration."

3.7 **Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital Work-in-Progress is stated at cost, net of accumulated impairment losses, if any.

Cost of Property, plant and equipment includes the costs directly attributable to the acquisition or constructions of assets, or replacing parts of the plant and equipment and borrowing costs for qualifying assets, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred."

Advance given for acquisition / construction of Property, Plant and Equipment and Intangible assets are presented as "Capital Advance" under Other Non Current Assets.

The assets in the process of construction or acquisition but not ready for management's intended use are included under Capital Work in progress.

Depreciation is provided on Straight line method in the manner and on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013. Depreciation on addition / deduction is calculated pro-rata from/to the month of addition / deduction.

"An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate."

The estimated useful lives of the assets considered by the Company is stated hereunder:

Assets Description	Useful Life in Years
Office Building	60
Heavy Equipments	15
Heavy Vehicles	6
Office Appliances	5
Computer	3
Other Machinery	15
Motor Cycle, Scooter	10
Motor Vehicles	8
Furniture	10
Electrical Equipments	10

3.8 **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3.9 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The Company's lease obligations are presented on the face of the Balance Sheet.

Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortized over the useful economic life (5 years for computer software) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Statement of Profit or Loss (including other comprehensive income)."

3.12 **Impairment of assets (other than financial assets)**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

3.13 **Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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."

Disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

3.14 **Inventories**

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non-refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads.

Stores and spares and consumables are valued at cost comprising of purchase price, non-refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

3.15 **Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and 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.

3.16 **Employee benefits**

Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee related liabilities under other financial liabilities in balance sheet.

Post - employment benefits

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at year end by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost."

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident fund as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.17 **Earnings per share**

Basic earnings per share is calculated by dividing:

· the profit attributable to owners of the Company
· by the weighted average number of equity shares outstanding during the period

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

· the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
· the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

The weighted average number of Equity shares have been adjusted for the events such as bonus issue and share split that have changed the number of equity shares outstanding, without corresponding changes in resources

3.18 **Contributed equity**

Equity shares are classified as equity. Incremental cost directly attributable to the issue of new shares or options are shown in equity as reduction, net of tax from the proceeds.

3.19 **Dividend**

The Company recognises a liability to pay a final dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws of India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

The Company recognises a liability to pay the interim dividend when the distribution is authorized by the board of directors subject to the approval of the shareholders. "

3.20 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The CODM is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company.

3.21 **New amendments issued and effective w.e.f April 1, 2023**

"The Ministry of Corporate Affairs has vide notification dated March 23, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of Restated Financial Information. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment."

Changes in the accounting policy, if any, in the last three years and their effect on our profits and reserves

There have been no changes in accounting policies of the Company during Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Non-GAAP Financial Measures

Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin/ Return on Capital Employed / PAT Margin / Return on Equity / Gross Fixed Assets Turnover Ratio / Gross Profit/ Gross Margin / Net Debt to EBITDA

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures disclosed in the financial statements prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures.

Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA (**"Non-GAAP Measures"**) presented in this Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, Non-GAAP Measures are not standardised terms, hence a direct comparison of Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See *"Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA have been included in this Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable."* on page 51.

Reconciliation of Restated Profit for the year to EBITDA and EBITDA Margin

The following table sets forth our EBITDA, EBITDA Margin, including a reconciliation of EBITDA and EBITDA Margin to our restated profit for the year, for the mentioned time periods.

(*in ₹ millions, except percentages*)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Profit for the year (I)	448.81	309.31	121.69
Other income (II)	12.14	7.29	4.26
Finance costs (III)	148.96	122.19	81.61
Depreciation and amortisation expense (IV)	57.86	43.22	55.03
Total tax expense (V)	164.09	107.79	41.41
EBITDA (VI = I-II+III+IV+V)	**807.58**	**575.22**	**295.48**
Revenue from operations (VII)	6,202.50	4,886.28	2,974.55
EBITDA Margin (%) (VIII) = (VI/VII)	**13.02%**	**11.77%**	**9.93%**

Reconciliation of Total Equity to Capital Employed, Restated Profit for the year to EBIT and Return on Capital Employed

The table below reconciles total equity to capital employed. Capital employed is calculated as total equity plus total borrowings plus deferred tax liability plus lease liabilities (current and non-current) while EBIT is calculated as restated profit for the year plus total tax expense plus finance costs. Return on Capital Employed is calculated as EBIT divided by capital employed.

(*in ₹ millions, except percentages*)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Total equity (I)	1,468.05	1,021.06	724.04
Non-current borrowings (including non-current lease liabilities) (II)	230.46	271.13	237.28
Current borrowings (including current lease liabilities) (III)	948.54	611.45	623.28
Deferred tax liability (IV)	59.36	56.37	49.95

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Total Capital Employed (V) = I+II+III+IV	**2,706.41**	**1,960.01**	**1,634.55**
Profit for the year (VI)	448.81	309.31	121.69
Total tax expense (VII)	164.09	107.79	41.41
Finance costs (VIII)	148.96	122.19	81.61
Earnings before interest and tax (EBIT) (IX = VI + VII + VIII)	**761.86**	**539.29**	**244.71**
Return on Capital Employed (%) (X = IX/ V)	**28.15%**	**27.51%**	**14.97%**

Reconciliation of Total Equity to Return on Equity

The table below reconciles total equity to return on equity. Return on equity is calculated as restated profit for the year divided by total equity.

(*in ₹ millions, except percentages*)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Total equity (I)	1,468.05	1,021.06	724.04
Profit for the year (II)	448.81	309.31	121.69
Return on Equity (%) (III) = (II/I)	**30.57%**	**30.29%**	**16.81%**

Reconciliation of Revenue from Operations to Gross Fixed Assets Turnover Ratio

The table below reconciles revenue from operations to gross fixed assets turnover ratio.

(*in ₹ millions, except percentages*)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Revenue from Operations (I)	6,202.50	4,886.28	2,974.55
Property, plant and equipment (II)	1,608.49	1,392.06	1,217.64
Capital work in progress (III)	54.30	-	-
Right of use assets (IV)	9.69	0.85	-
Other intangible assets (V)	6.20	5.43	5.33
Total Gross Fixed Assets (VI = II + III + IV + V)	**1,678.68**	**1,398.34**	**1,222.97**
Gross Fixed Assets Turnover Ratio (in times) (VII = I/VI)	**3.69**	**3.49**	**2.43**

Reconciliation for Total Borrowings to Net Debt and Net Debt to EBITDA

The table below reconciles total borrowings to net debt and net debt to EBITDA. Net Debt is calculated as total of non-current borrowings (including non-current lease liabilities) and current borrowings (including current lease liabilities) minus total of cash and cash equivalents and other bank balances.

(*in ₹ millions, except percentages*)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	2023	2022
Non-current borrowings (including non-current lease liabilities) (I)	230.46	271.13	237.28
Current borrowings (including current lease liabilities) (II)	948.54	611.45	623.28
Cash and cash equivalents (III)	56.55	129.98	6.23
Other bank balances (IV)	48.57	12.48	-
Net Debt (V = (I + II) – (III + IV))	**1,073.88**	**740.12**	**854.33**
EBITDA (VI)	**807.58**	**575.22**	**295.48**
Net Debt to EBITDA (in times) (VII) = (V/VI)	**1.33**	**1.29**	**2.89**
Net Debt to Total Equity	**0.73**	**0.72**	**1.18**

Reconciliation for Revenue from Operations to Gross Profit and Gross Margin

The table below reconciles revenue from operations to gross profit and gross margin:

(*in ₹ millions, except percentages*)

Particulars	**For the fiscal year ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations (I)	6,202.50	4,886.28	2,974.55
Cost of raw materials consumed (II)	3,786.81	2,941.66	1,595.67
Changes in inventories of finished products and work in progress (III)	(227.78)	(44.57)	7.19
Gross Profit (IV) = (I – (II+III))	2,643.47	1,989.19	1,371.69
Gross Margin (%) (V = IV/I)	**42.62%**	**40.71%**	**46.11%**

Reconciliation for Restated Profit for the year to Profit After Tax Margin (PAT Margin)

The table below reconciles restated profit for the year to PAT Margin:

(*in ₹ millions, except percentages*)

Particulars	**For the fiscal year ended March 31,**		
	2024	**2023**	**2022**
Profit for the year (I)	448.81	309.31	121.69
Total income (II)	6,214.64	4,893.57	2,978.81
PAT Margin (%) (III = I/II)	**7.22%**	**6.32%**	**4.09%**

Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from sale of safety-critical components and assemblies for M&HCV and farm equipment sectors.

Other income

Other income primarily comprises of interest income on financial assets measured at amortised cost, Income from mutual fund, net gain on foreign currency transactions and translations, insurance claims, profit on sale of property, plant and equipment and other miscellaneous income.

Expenses

Our expenses comprise of cost of raw materials consumed, changes in inventories of finished goods and work in progress, employee benefit expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of raw materials consumed

Cost of raw materials consumed primarily consists of raw materials i.e., primarily steel procured in the form of bars, billets, flats and tubes.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress between opening and closing dates of a reporting period.

Employee benefit expenses

Employee benefit expenses primarily comprises of salaries, wages and bonus, contribution to provident and other funds, gratuity expenses and staff welfare expenses.

Finance costs

Finance costs primarily comprises of interest expenses on borrowings from banks and financial institutions, interest on lease obligations and other borrowing costs.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprises (i) depreciation of our property, plant and equipment, (ii) amortisation on right of use assets; and (iii) amortisation of intangible assets.

Other expenses

Other expenses comprise primarily of (a) consumption of stores, spare parts and consumables; (b) freight, transportation and handling charges; (c) power & fuel expense; (d) contractual labour charges; (e) work offloading charges; (f) commission; (g) packing and forwarding expenses; (h) material handling and weightment charges; (i) repairs and maintenance expenses; (j) travelling, conveyance, vehicle running and maintenance expenses; (k) donation; (l) rental expenses; (m) insurance charges; (n) warehouse, yard and branch expenses; (o) allowances for expected credit loss; (p) provision for warranty expenses; (q) rates & taxes; (r) legal & professional charges; (s) auditors' remuneration and (t) other general expenses.

Operating Segment and Business Models

Our Company is operating in one business segment, i.e. manufacturing of critical components for M&HCV and farm equipment. Accordingly, manufacturing of auto components for commercial vehicles is our only operating segment. Our Company is domiciled in India and provides services in India.

Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated below.

Particulars	**For the year ended March 31,**					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of Total Income***	***(₹ in millions)***	***% of Total Income***	***(₹ in millions)***	***% of Total Income***
Revenue from operations	6,202.50	99.80%	4,886.28	99.85%	2,974.55	99.86%
Other income	12.14	0.20%	7.29	0.15%	4.26	0.14%
Total Income	**6,214.64**	**100.00%**	**4,893.57**	**100.00%**	**2,978.81**	**100.00%**
Expenses						
(a) Cost of raw materials consumed	3,786.81	60.93%	2,941.66	60.11%	1,595.67	53.57%
(b) Changes in inventories of finished products and work in progress	(227.78)	(3.67)%	(44.57)	(0.91) %	7.19	0.24%
(c) Employee benefits expense	304.23	4.90%	265.09	5.42%	201.77	6.77%
(d) Finance costs	148.96	2.40%	122.19	2.50%	81.61	2.74%
(e) Depreciation and amortisation expense	57.86	0.93%	43.22	0.88%	55.03	1.85%
(f) Other expense	1,531.66	24.65%	1,148.88	23.48%	874.44	29.36%
Total Expenses	**5,601.74**	**90.14%**	**4,476.47**	**91.48%**	**2,815.71**	**94.52%**
Profit before tax	**612.90**	**9.86%**	**417.10**	**8.52%**	**163.10**	**5.48%**
Tax Expense						
(a) Current tax						
(i)Current tax	154.89	2.49%	100.80	2.06%	39.51	1.33%
(ii) Current tax for the earlier years	5.60	0.09%	0.98	0.02%	-	-
(b) Deferred tax						
(i) Deferred tax	3.60	0.06%	6.01	0.12%	1.90	0.06%
Total tax expense	**164.09**	**2.64%**	**107.79**	**2.20%**	**41.41**	**1.39%**
Profit for the year	**448.81**	**7.22%**	**309.31**	**6.32%**	**121.69**	**4.09%**
Other comprehensive income/ (loss)						
(A) Items that will not be reclassified to profit or loss						
(a) Remeasurement of the employees defined benefit plans	(2.45)	(0.04)%	1.64	0.03%	4.36	0.15%
(b) Income tax relating to above items	0.62	0.01%	(0.41)	(0.01) %	(1.10)	(0.04) %
Total other comprehensive income	**(1.83)**	**(0.03)%**	**1.23**	**0.03%**	**3.26**	**0.11%**

Particulars	For the year ended March 31,					
	2024		2023		2022	
	(₹ in millions)	*% of Total Income*	*(₹ in millions)*	*% of Total Income*	*(₹ in millions)*	*% of Total Income*
Total comprehensive income for the year	**446.98**	**7.19%**	**310.54**	**6.35%**	**124.95**	**4.19%**

Fiscal 2024 compared with Fiscal 2023

Revenue from operations

Our revenue from operations increased by 26.94% from ₹ 4,886.28 million in Fiscal 2023 to ₹ 6,202.50 million in Fiscal 2024. This increase is primarily attributed to increase in revenues from sale of goods by 31.09% from ₹ 4,596.83 million in Fiscal 2023 to ₹ 6,025.78 million in Fiscal 2024 which was partially offset by decrease in other operating income by 41.83% from ₹ 286.62 million in Fiscal 2023 to ₹ 166.72 million in Fiscal 2024. Other operating income primarily comprises of revenues from sale of scrap and freight on sales.

Other Income

Our other income increased by 66.53% from ₹ 7.29 million in Fiscal 2023 to ₹ 12.14 million in Fiscal 2024. Such increase was primarily on account of increase in interest income from deposits with banks and net gain on foreign currency transaction and translation.

Cost of materials consumed

Our cost of materials consumed increased by 28.73% from ₹ 2,941.66 million in Fiscal 2023 to ₹ 3,786.81 million in Fiscal 2024, primarily as a result of increase in revenues from sale of products and changes in inventories of finished products and work in progress.

Change in inventories of finished goods and work-in-progress

Our closing stock of finished goods and work-in-progress was ₹ 260.03 million as at March 31, 2023, while it was ₹ 487.81 million as at March 31, 2024.

Employee benefits expense

Our employee benefits expense increased by 14.77% from ₹ 265.09 million in Fiscal 2023 to ₹ 304.23 million in Fiscal 2024, primarily on account of increase in number of employees from 469 at the end of Fiscal 2023 to 515 employees at the end of Fiscal 2024 and on account of normal salary increases across various functions.

Finance costs

Our finance costs increased by 21.91% from ₹ 122.19 million in Fiscal 2023 to ₹ 148.96 million in Fiscal 2024, primarily due to increase in total debt from ₹ 881.90 million in Fiscal 2023 to ₹ 1,171.04 million in Fiscal 2024.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by 33.86% from ₹ 43.22 million in Fiscal 2023 to ₹ 57.86 million in Fiscal 2024, on account of net increase in gross block of property, plant and equipment by ₹ 216.45 million during Fiscal 2024.

Other expenses

Our other expenses increased by 33.32% from ₹ 1,148.88 million in Fiscal 2023 to ₹ 1,531.66 million in Fiscal 2024. The increase was mainly driven by increase in (a) freight, transportation and handling charges, (b) power and fuel expenses, (c) contractual labour charges, (d) legal and professional expenses, and (e) repair and maintenance expenses. These increases were partially offset primarily by decrease in (a) commission and (b) work offloading charges.

Profit before tax

As a result of the foregoing, we recorded an increased by 46.94% from ₹ 417.10 million in Fiscal 2023 to ₹ 612.90 million in Fiscal 2024.

Tax expenses

Our tax expenses increased by 52.23% from ₹ 107.79 million in Fiscal 2023 to ₹ 164.09 million in Fiscal 2024 and was largely in-line with the increase in profit before tax.

Profit for the year

As a result of the foregoing, we recorded an increase in our profit for the year by 45.10% from ₹ 309.31 million in Fiscal 2023 to ₹ 448.81 million in Fiscal 2024.

Fiscal 2023 compared with Fiscal 2022

Revenue from operations

Our revenue from operations increased by 64.27% from ₹ 2,974.55 million in Fiscal 2022 to ₹4,886.28 million in Fiscal 2023. This increase is primarily attributed to revenue generated from our sales of products which increased from ₹ 2,748.32 million in Fiscal 2022 to ₹ 4,596.83 million in Fiscal 2023 primarily due to increase in revenues from trailer axles and suspension from ₹ 668.96 million in Fiscal 2022 to ₹ 1,628.22 million in Fiscal 2023 and increase in revenues from truck components from ₹ 1,561.96 million in Fiscal 2022 to ₹ 2,415.24 million in Fiscal 2023. Further, our other operating revenue comprising of scrap sales and freight on sales increased from ₹ 225.00 million in Fiscal 2022 to ₹ 286.62 million in Fiscal 2023 recording an increase of 27.39% during the year.

Other Income

Our other income increased by 71.13% from ₹ 4.26 million in Fiscal 2022 to ₹7.29 million in Fiscal 2023. Such increase was primarily on account of 32.54% increase in interest income from deposits with Banks from ₹2.95 million in Fiscal 2022 to ₹3.91 million in Fiscal 2023 and increase in net gain on foreign currency transaction and translation by 168.10% from ₹1.16 million in Fiscal 2022 to ₹3.11 million in Fiscal 2023.

Cost of materials consumed

Our cost of materials consumed increased by 84.35% from ₹ 1,595.67 million in Fiscal 2022 to ₹2,941.66 million in Fiscal 2023. As a percentage of total income, our cost of materials consumed increased from 53.57% in Fiscal 2022 to 60.11% in Fiscal 2023. This was primarily due to a change in product mix and increase in inventories of finished goods and work-in-progress.

Change in inventories of finished goods and work-in-progress

Our closing stock of finished goods and work-in-progress was ₹ 215.46 million as at March 31, 2022, while it was ₹260.03 million as at March 31, 2023.

Employee benefits expense

Our employee benefits expense increased by 31.38% from ₹ 201.77 million in Fiscal 2022 to ₹265.09 million in Fiscal 2023, primarily on account of increase in payment of salaries, wages and bonus which increased from ₹ 179.62 million in Fiscal 2022 to ₹241.51 million in Fiscal 2023, increase in contribution to provident and other funds which increased from ₹ 9.27 million in Fiscal 2022 to ₹ 12.26 million in Fiscal 2023, increase in gratuity from ₹ 6.99 million in Fiscal 2022 to ₹ 7.63 million in Fiscal 2023. The increase was marginally offset by decrease in staff welfare expense from ₹ 5.89 million in Fiscal 2022 to ₹ 3.69 million in Fiscal 2023. Our employees benefit expenses as percentage of total income decreased from 6.77% in Fiscal 2022 to 5.42% in Fiscal 2023 as a part of our employee benefit expenses are related to our manufacturing infrastructure and does not increase or decrease in the same proportion of increase or decrease in our total income.

Finance costs

Our finance costs increased by 49.72% from ₹81.61 million in Fiscal 2022 to ₹122.19 million in Fiscal 2023, primarily due to increase in interest expenses on short-term borrowings from banks and financial institutions from

₹52.81 million in Fiscal 2022 to ₹73.62 million in Fiscal 2023, increase in interest expense on term loans from banks from ₹20.94 million in Fiscal 2022 to ₹31.47 million in Fiscal 2023, increase in other borrowings cost from ₹7.19 million in Fiscal 2022 to ₹8.16 million in Fiscal 2023 and increase in interest expense for short fall on payment of income tax from ₹nil in Fiscal 2022 to ₹8.78 million in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortization expense decreased by 21.46% from ₹ 55.03 million in Fiscal 2022 to ₹43.22 million in Fiscal 2023, on account of an decrease in depreciation on property, plant and equipments from ₹ 55.01 million in Fiscal 2022 to ₹43.01 million in Fiscal 2023, which was partially offset by an increase in the amortisation of intangible assets from ₹ 0.02 million in Fiscal 2022 to ₹0.04 million in Fiscal 2023 and an increase in the amortisation of right of use assets from ₹nil in Fiscal 2022 to ₹0.17 million in Fiscal 2023.

Other expenses

Our other expenses increased by 31.38% from ₹ 874.44 million in Fiscal 2022 to ₹ 1,148.88 million in Fiscal 2023, generally in line with the increase in business operations. The absolute increase was mainly driven by increases in (i) freight, transportation and handling charges from ₹129.12 million in Fiscal 2022 to ₹160.24 million in Fiscal 2023, (ii) power and fuel expense from ₹ 79.82 million in Fiscal 2022 to ₹ 158.38 million in Fiscal 2023, (iii) contractual labour charges from ₹ 82.23 million in Fiscal 2022 to ₹ 213.30 million in Fiscal 2023, (iv) work offloading charges from ₹ 88.24 million in Fiscal 2022 to ₹ 101.55 million in Fiscal 2023, (v) commission from ₹nil in Fiscal 2022 to ₹ 24.59 million in Fiscal 2023, (vi) packing and forwarding expenses from ₹ 24.91 million in Fiscal 2022 to ₹ 31.11 million in Fiscal 2023, (vi) repairs and maintenance expenses from ₹ 26.21 million in Fiscal 2022 to ₹ 36.36 million in Fiscal 2023, (vii) warehouse, yard and branch expenses from ₹ 1.04 million in Fiscal 2022 to ₹ 4.05 million in Fiscal 2023 and (viii) provision for warranty expenses from ₹ 1.48 million in Fiscal 2022 to ₹ 8.22 million in Fiscal 2023. However, the increase was partially offset by decrease in consumption of stores, spare parts and consumables from ₹ 366.51 million in Fiscal 2022 to ₹ 334.95 million in Fiscal 2023 and decrease in material handling and weightment charges from ₹ 27.36 million in Fiscal 2022 to ₹ 7.95 million in Fiscal 2023.

Profit before tax

As a result of the foregoing, we recorded an increase of 155.73% in our profit before tax, from ₹ 163.10 million in Fiscal 2022 to ₹ 417.10 million in Fiscal 2023.

Tax expenses

Our tax expenses increased by 160.30% from ₹ 41.41 million in Fiscal 2022 to ₹107.79 million in Fiscal 2023. The increase in our tax expenses in Fiscal 2023 was primarily due to an increase in the profit before tax, which was attributable to the increase in total income.

Profit for the year

As a result of the foregoing, we recorded an increase of 154.18% in our profit for the year from ₹ 121.69 million in Fiscal 2022 to ₹309.31 million in Fiscal 2023.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through internal accruals, through borrowings. From time to time, we may obtain loan facilities to finance our working capital requirements.

Cash Flows

The following table summarizes our cash flows for the periods indicated below:

(₹ in millions)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net cash flow from/ (used in) operating activities	82.51	417.46	175.38
Net cash flow from/(used in) investing activities	(304.04)	(187.98)	(119.96)
Net cash flow from/ (used in) financing activities	148.10	(105.73)	(55.14)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net increase/decrease in cash and cash equivalents	(73.43)	123.75	0.28
Cash and cash equivalent at the beginning of the year	129.98	6.23	5.95
Cash and cash equivalents at the end of the year	56.55	129.98	6.23

Cash flows from operating activities

We generated ₹ 82.51 million in cash from operating activities during Fiscal 2024. While our profit before tax was ₹ 612.90 million, we had an operating profit before working capital changes of ₹ 815.79 million, primarily due to adjustments for depreciation and amortisation expenses of ₹ 57.86 million, finance costs of ₹ 148.96 million, allowances for expected credit loss of ₹ 3.71 million and interest income of ₹ 6.93 million. Our adjustments for working capital changes for the Fiscal 2024 primarily consisted of (i) increase in trade receivables by ₹ 584.02 million, (ii) increase in inventories by ₹ 213.22 million, (iii) increase in trade payables by ₹ 147.08 million, (iv) increase in other current assets by ₹ 89.94 million, (v) increase in other current financial liabilities by ₹ 46.31 million, (vi) decrease in other non-current financial assets by ₹ 34.72 million, and (vii) increase in other current liabilities by ₹ 26.74 million.

We generated ₹417.46 million in cash from operating activities during Fiscal 2023. While our profit before tax was ₹417.10 million, we had an operating profit before working capital changes of ₹582.04 million, primarily due to adjustments for depreciation and amortisation expenses of ₹43.22 million, finance costs of ₹ 122.19 million, allowances for expected credit loss of ₹ 3.71 million and interest income of ₹ 3.91 million. Our adjustments for working capital changes for the Fiscal 2023 primarily consisted of (i) increase in trade payables by ₹ 148.79 million, (ii) increase in trade receivables by ₹ 18.27 million, (iii) increase in other current liabilities by ₹ 14.76 million, (iv) increase in other current assets by ₹ 21.32 million and (v) increase in inventories by ₹ 208.24 million.

We generated ₹ 175.38 million in cash from operating activities during Fiscal 2022. While our profit before tax was ₹ 163.10 million, we had an operating profit before working capital changes of ₹ 299.66 million, primarily due to adjustments for depreciation and amortization expenses of ₹ 55.03 million, finance costs of ₹ 81.61 million, allowances for expected credit loss of ₹ 3.00 million and interest income of ₹ 2.95 million. Our adjustments for working capital changes for the Fiscal 2022 primarily consisted of (i) increase in trade payables by ₹ 29.18 million, (ii) increase in trade receivables by ₹ 96.96 million, (iii) increase in other current liabilities by ₹ 35.34 million, (iv) increase in other current assets by ₹ 82.97 million and (v) decrease in inventories by ₹ 16.80 million.

Cash flows used in investing activities

Net cash used in investing activities was ₹ 304.04 million for the Fiscal 2024, primarily on account of ₹ 216.23 million used towards purchase of property, plant and equipment, ₹ 54.30 million used towards addition to capital work-in-progress, ₹ 36.09 million used towards term deposits, while ₹ 6.93 million was received as interest and ₹ 3.62 million was used towards investment in mutual fund.

Net cash used in investing activities was ₹ 187.98 million for the Fiscal 2023, primarily on account of ₹ 185.85 million used towards purchase of property, plant and equipment, ₹ 6.32 million used towards term deposits, while ₹3.91 million was received as interest and ₹ 0.38 million was received from proceeds from sale of property, plant and equipment.

Net cash used in investing activities was ₹ 119.96 million for the Fiscal 2022, primarily on account of ₹ 123.18 million used towards purchase of property, plant and equipment, while ₹ 2.95 million was received as interest, ₹ 0.11 million was received from proceeds from sale of property, plant and equipment and ₹ 0.16 million was received from proceeds from sale in investment in mutual fund.

Cash flows from/ used in financing activities

Net cash generated from financing activities for Fiscal 2024 amounted to ₹ 148.10 million, which primarily consisted of proceeds from long term borrowings of ₹ 165.26 million, proceeds from short-term borrowings (net) of ₹ 297.48 million, repayment of long term borrowings amounting to ₹ 175.30 million, principal lease payments of ₹ 1.95 million and other interest payments amounting to ₹ 137.39 million.

Net cash used in financing activities for Fiscal 2023 amounted to ₹ 105.73 million, which primarily consisted of repayment of long term borrowings amounting to ₹ 104.60 million, repayment of short term borrowings of ₹ 3.46

million, dividends paid of ₹ 13.52 million, principal lease payments of ₹ 0.18 million and other interest payments amounting to ₹ 113.04 million, while proceeds from long term borrowings amounted to ₹ 129.07 million.

Net cash used in financing activities for Fiscal 2022 amounted to ₹ 55.14 million, which primarily consisted of repayment of long term borrowings amounting to ₹ 74.74 million, other interest payments amounting to ₹ 48.61 million and proceeds from long term borrowings of ₹ 68.21 million .

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of the below mentioned time period.

(₹ in millions)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Secured Long term Borrowings (I)	225.26	270.70	237.28
Unsecured Short term Borrowings (II)	17.60	17.60	11.32
Secured Short term Borrowings (III)	928.19	593.60	611.96
Total (IV = I + II + III)	**1,171.04**	**881.90**	**860.56**

Contingent Liabilities and Commitments

Contingent liabilities, to the extent not provided for, as of the below mentioned time periods, as determined in accordance with Ind AS 37, are described below.

(₹ in millions)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
A. Contingent liabilities			
(i) Excise duty and service tax matters	27.67	-	2.55
(ii) GST and VAT matters	27.31	1.25	1.85
(iii) Income tax matters in dispute	17.46	25.28	136.71
(iv) Bills Discounted with Kotak Mahindra Bank Limited*	315.50	342.00	211.30
B. Commitments			
Capital Commitment - Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account	99.17	30.81	-
Other commitment	-	-	-

**Bills Discounted with recourse to the Company with Kotak Mahindra Bank*

For further details of our contingent liabilities, see "*Restated Financial Information – Note 34 – Contingent liabilities and commitments*" on page 283.

Capital expenditure

For the financial years ending March 31, 2024, March 31, 2023 and March 31, 2022, our capital expenditures (i.e. payments for acquisition of property, plant and equipment, intangible assets and capital work in progress) were ₹ 271.30 million, ₹ 185.95 million and ₹ 123.18 million, respectively. The following table sets forth our gross fixed assets as at periods as indicated:

(₹ in millions)

Particulars	As at/ for the fiscal year ended March 31,		
	2024	**2023**	**2022**
Property, plant and equipment (I)	1,608.49	1,392.06	1,217.64
Capital work in progress (II)	54.30	-	-
Right of use assets (III)	9.69	0.85	-
Other intangible assets (IV)	6.20	5.43	5.33
Total Gross Fixed Assets (V = I + II + III + IV + V)	**1,678.68**	**1,398.34**	**1,222.97**

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed primarily to fluctuations in interest rates, liquidity and credit risk, which may adversely impact the fair value of our financial instruments. In order to minimise any adverse effects on the financial performance of the Company, the Company has risk management policies as described below:

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions, other financial instruments carried at amortised cost.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Our approach to manage liquidity is to have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to our reputation.

Our management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

Contractual Maturities of financial liabilities

(₹ in millions)

As at March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Borrowings and interest thereon	1,029.40	133.42	74.32	55.61	1,292.74
Lease liabilities	2.75	2.17	2.08	0.94	7.95
Trade payables	487.51	-	-	-	487.51
Other financial liabilities	79.24	-	-	-	79.24
Total financial liabilities	**1,598.90**	**135.60**	**76.40**	**56.55**	**1,867.45**
As at March 31, 2023	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Borrowings (inclusive of interest)	735.27	128.54	86.83	207.27	**1,157.91**
Lease liabilities	0.25	0.25	0.18	-	**0.68**
Trade payables	336.10	4.33	-	-	**340.43**
Other financial liabilities	28.78	-	-	-	**28.78**
Total financial liabilities	**1,100.40**	**133.12**	**87.01**	**207.27**	**1,527.80**
As at March 31, 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Borrowings and interest thereon	742.04	102.35	98.94	91.50	**1,034.83**
Lease liabilities	-	-	-	-	**-**
Trade payables	191.62	-	-	-	**191.62**
Other financial liabilities	13.89	-	-	-	**13.89**
Total financial liabilities	**947.55**	**102.35**	**98.94**	**91.50**	**1,240.34**

Market Risk

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 Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates.

The Company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure on financial liabilities

(₹ in millions)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings	137.64	94.73	101.90
Variable rate borrowings	1,033.40	787.17	758.66
Total borrowings (exclusive of Lease liabilities)	**1,171.04**	**881.90**	**860.56**

Foreign currency risk

The Company undertakes transactions (e.g. sale of goods, foreign currency loan, purchase of raw materials, etc.) denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The Company evaluates its exchange rate exposure arising from foreign currency transactions and manages the same based upon approved risk management policies.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Financial Information - Note 40 - Related Party Transactions*" on page 289 of this Red Herring Prospectus.

Significant Economic Changes

Other than as described above, to the best of the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations. For further details, please see *"Our Business"* and *"Risk Factors"* on pages 195 and 27, respectively.

Unusual or Infrequent Events of Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 305 and the uncertainties described in the section titled "*Risk Factors*" beginning on page 27 of this Red Herring Prospectus. To our knowledge, except as described or anticipated in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described above and in *"Our Business"* and *"Risk Factors"* on pages 195 and 27, respectively, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as disclosed in this section and in *"Our Business"* on page 195, as on the date of this Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Financial Years are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2024 compared with Fiscal 2023 – Revenue from*

Operations" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2023 compared with Fiscal 2022 – Revenue from Operations*" above on pages 327 and 328, respectively.

Seasonality

Our business is not seasonal in nature.

Significant dependence on a single or few suppliers or customers

We are dependent on our top five customers for a significant portion of our revenue. For details, please refer to "*Risk Factors – Customer concentration risk – Our top five customers contributed a significant portion (more than 66.00% in each of the previous three Fiscals) of our revenues. The loss of a major customer or reduction in demand for our products from any of our major customers may adversely affect our business, financial condition, results of operations and prospects*" on page 27.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections "*Risk Factors*", *"Industry Overview"* and "*Our Business*" on pages 27, 144 and 195, respectively.

Significant Developments after March 31, 2024, that may affect our future results of operations

Except as set out below and elsewhere in this Red Herring Prospectus, no developments have come to our attention since the date of the Restated Financial Information as disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to materially and adversely affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

1. Our Company has paid ₹ 4,300,000 towards advance and ₹ 500,000 towards brokerage against purchase of CNT land admeasuring 99 decimal (approximately, 43,120 square feet or 4,005.98 square metres) at Gamaharia Area, near its Unit V at Gamaharia, Jamshedpur. The amount unpaid is ₹ 44,055,312 which shall be paid at the time of execution of the sale deed.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings (including first information reports and any notices received for such criminal proceedings), involving our Company, our Directors, our Promoters, or our Group Company; (ii) actions taken by regulatory and statutory authorities involving our Company, our Directors, our Promoters, (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last 5 Fiscals including outstanding action; (iv) claims related to involving our Company, our Directors, our Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); or (iv) proceedings (other than proceedings covered under (i) to (iii) above) including labour law cases/ notices which have been determined to be material pursuant to the Materiality Policy, involving our Company, Directors , Promoters (collectively, the "**Relevant Parties**").*

In relation to (iv) above, in terms of the Materiality Policy adopted by our Board in its meeting held on August 20, 2024, any pending litigation involving the Relevant Parties has been considered "material" for the purposes of disclosure in this Red Herring Prospectus, if:

*a) the monetary amount of the claim/ dispute amount/ liability by or against the Relevant Party in any such proceeding is equal to or in excess of 1% of the profit after tax of our Company as per the restated financial information of the Company for latest fiscal year i.e. Fiscal 2024 (the "**Litigation Materiality Threshold**"). The profit after tax of our Company for Fiscal 2024 is ₹ 448.81 million, and accordingly, all litigation involving the Relevant Parties, in which the amount involved is equal to or exceeds ₹ 4.49 million have been considered as material, if any;*

b) any outstanding litigation, where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation is not quantifiable or may not exceed the relevant monetary threshold specified in (a) above; or

c) any other outstanding litigation, an adverse outcome of which would materially and adversely affect the Company's business, operations, prospects, financial position, cash flows, prospects, performance, or reputation, irrespective of the amount involved in such litigation.

d) Pre-litigation notices received by any of the Relevant Parties or Group Company from third parties (excluding those notices issued by statutory / regulatory / governmental / tax authorities /notices threatening criminal action to the Relevant Parties) shall, unless considered otherwise by the Board of Directors of the Company, not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, as applicable, are impleaded as parties in litigation proceedings before any judicial forum.

e) Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving any of the Group Companies, which may have a material impact on the Company.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, in terms of the Materiality Policy, a creditor of our Company shall be considered 'material' if the amount due to such creditor equals or exceeds 5% of the total trade payables of our Company as at the end of the latest period included in the Restated Financial Information. The total trade payables of our Company as on March 31, 2024, was ₹ 487.51 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor equals or exceeds ₹ 24.38 million as on March 31, 2024.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

I. Litigation proceedings involving our Company

A. *Litigation proceedings initiated against our Company*

Criminal proceedings

Nil

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

B. *Litigation proceedings initiated by our Company*

Criminal proceedings

1. Our Company has filed a criminal complaint before the Chief Judicial Magistrate Court at Jamshedpur, under Section 138 of the Negotiable Instruments Act, 1881 against M/s Rido X Motors HDV Private Limited, Subrato Ghosh and Vipul Chandra in relation to dishonour of cheque for a sum of ₹ 0.26 million issued by M/s Ridox Motors HDV Private Limited as a part payment of the outstanding due of ₹0.35 million. This matter is currently pending.

2. Our Company has filed a criminal complaint before the Chief Judicial Magistrate Court at Jamshedpur, under Section 138 of the Negotiable Instruments Act, 1881 against M/s P&J Reparing Work Shop, Yashbir Prasad and Surajbir Parshad in relation to dishonour of three cheques for a consolidated sum of ₹ 0.49 million issued M/s P&J Repairing Work Shop for payment of a purchase of trailer axles. This matter is currently pending.

3. Our Company has filed a criminal complaint before the Chief Judicial Magistrate Court at Jamshedpur, under Sections 138 and 141 of the Negotiable Instruments Act, 1881 against M/s Riaan Surface and Auto Enterprises and its proprietor Irfan Khan in relation to dishonour of two cheques for a consolidated sum of ₹ 0.43 million against an outstanding amount of ₹ 1.12 million issued by M/s Riaan Surface and Auto Enterprises for payment in furtherance of a purchase order. This matter is currently pending.

4. Our Company has filed a criminal complaint before the Chief Judicial Magistrate Court at Saraikela, under Sections 138 and 141 of the Negotiable Instruments Act, 1881 against Shri Ganesh Trailer and Satish Krishna Nikam in relation to dishonour of one cheque for a consolidated sum of ₹ 0.42 million issued by Shri Ganesh Trailer for payment in furtherance of a purchase order. This matter is currently pending.

5. Our Company has filed a criminal complaint before the Chief Judicial Magistrate Court at Saraikela, under Section 138 of the Negotiable Instruments Act, 1881 against Jyoti Eco Peb, Sheela Devi and Prabeen Kumar, in relation to dishonour of cheque for a sum of ₹ 0.23 million issued by Sheela Devi as a refund of excess advance. This matter is currently pending.

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

II. Litigation proceedings involving our Promoters

A. *Litigation proceedings initiated against our Promoters*

Criminal proceedings

Nil

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange

Nil

B. ***Litigation proceedings initiated by our Promoters***

Criminal proceedings

Nil

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

III. Litigation proceedings involving our Directors

A. ***Litigation proceedings initiated against our Directors***

Criminal proceedings

Nil

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

B. ***Litigation proceedings initiated by our Directors***

Criminal proceedings

Nil

Statutory or regulatory proceedings

Nil

Other material pending proceedings

Nil

IV. Material litigation involving our Group Company

Nil

V. Tax litigations

Except as disclosed below, there are no pending claims related to direct or indirect taxes involving our Company, Promoters or our Directors:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹ million)
Company		
Direct tax	2	17.46
Indirect tax	6	54.97
Directors		
Direct tax	2	0.36
Indirect tax	Nil	NA
Promoters		
Direct tax	2	0.36
Indirect tax	Nil	NA

**To the extent quantifiable*

Outstanding dues to creditors

In terms of the Materiality Policy, our Board considers such creditors 'material' to whom the amount due exceeds 5% of the total trade payables as at the end of the latest period of the Restated Financial Information, i.e., ₹ 24.38 million, as of March 31, 2024 ("**Material Creditors**").

As of March 31, 2024, our Company owed a total sum of ₹ 487.51 million to 456 creditors, of which our Company owed an amount of ₹ 89.91 million to 30 MSMEs.

The details of our outstanding dues to micro, small and medium enterprises, our Material Creditors and other creditors, as on March 31, 2024 are as follows:

Particulars	Number of creditors	Amount due as on March 31, 2024 (in ₹ million)#
Dues to micro, small and medium enterprises	30	89.91
Dues to Material Creditor(s)	2	107.13
Dues to other creditors*	424	290.47
Total creditors	**456**	**487.51**

#*As certified by M/s S.K. Naredi & Co., Chartered Accountants by way of their certificate dated September 2, 2024*

The details pertaining to outstanding dues towards our Material Creditors are available on the website of our Company, along with their names and the amount involved for each such creditor at www.krosslimited.com

Material developments since the date of the last balance sheet

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 305, there have not arisen, since the last period disclosed in the Restated Financial Information in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, consents, licenses, registrations and permits obtained by our Company, as applicable, for the purposes of undertaking their respective businesses and operations ("**Material Approvals**"). Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. Except as disclosed in this section, no further material approvals are required for carrying on the present business operations of our Company. Unless otherwise stated, these material approvals are valid as on the date of this Red Herring Prospectus.*

We have also disclosed below (i) the Material Approvals for which fresh applications/renewal applications have been made; and (ii) the Material Approvals for which fresh applications/renewal applications are yet to be made. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors-Regulatory approvals and licenses - We are subject to various laws and regulations in jurisdictions where we operate including environmental and health and safety laws and regulations. Failure to comply with regulations or maintain approvals may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition" on page 51.

For details in connection with the regulatory and legal framework within which our Company operates, see the section titled "Key Regulations and Policies in India" on page 223. For Offer related approvals, see the section titled "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 346 and for incorporation details of our Company see the sections titled "History and Certain Corporate Matters – Brief history of our Company" on page 228. Further, for approvals related to the objects of the Offer, see "Objects of the Offer" on page 107.

Tax related approvals

(a) Permanent account number AABCK5855D issued by the Income Tax Department under the Income Tax Act, 1961

(b) Tax deduction and collection account number 20370901475 issued by the Income Tax Department under the Income Tax Act, 1961.

(c) Goods and services tax registration number 20AABCK5855D1ZY issued by the Government of India under the Goods and Service Tax Act, 2017.

(d) Certificate of registration issued under the Jharkhand State Tax on Professions, Trades, Callings and Employments Act, 2011.

(e) Certificate of registration issued under Central Excise Rules, 2002.

Labour/employment related approvals

(a) Registration certificate under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, issued by the Employees' Provident Fund Organisation.

(b) Registration certificate under the Employees' State Insurance Act, 1948, issued by the Sub-Regional Office, Employees' State Insurance Corporation.

(c) Certificate of registration from the Department of Labour, Employment, Training and Skill Development

Material Approvals in relation to the business and operations of our Company

(a) Certificate of Importer-Exporter Code with registration number 2196000426

(b) Certificate of registration from the Department of Industries (Government of Bihar)

Below are the approvals obtained by the Company for each of its Units:

Unit I

License/Registration	Issuing Authority	Date of issue/Renewal	Validity
Consent to Establish	Jharkhand State Pollution Control Board	June 14, 2017*	NA
License under Factories Act	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	December 31, 2029
Consent to Operate	Jharkhand State Pollution Control Board	August 18, 2023	March 31, 2025
Authorization Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Jharkhand State Pollution Control Board	May 25, 2023	February 18, 2028
Contract labour license**	Office of Registration Officer, Government of Jharkhand	March 15, 2024	March 14, 2025
Contract labour license^	Office of Registration Officer, Government of Jharkhand	February 4, 2024	January 31, 2025
NOC for Ground Water Abstraction	Central Ground Water Authority	December 6, 2023	December 5, 2026

**Unit I has initially obtained consent to establish from the Bihar State Pollution Control Board dated, June 25, 1997. Further, another CTE was obtained from the Jharkhand State Pollution Control Board dated, June 14, 2017 for expansion of the Unit.*

***The license has been granted to BM Associates for doing work at Unit I of the Company.*

^The license has been granted to National Engineering for doing work at Unit I of the Company.

Unit II

License/Registration	Issuing Authority	Date of issue/Renewal	Validity
Consent to Establish	Jharkhand State Pollution Control Board	November 16, 2010	NA
License under Factories Act	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	December 31, 2029
Contract Labour license*	Office of Registration Officer, Government of Jharkhand	May 30, 2009	February 28, 2025
Approval for storage of petroleum	Ministry of Commerce and Industry (Petroleum and Explosives Safety Organisation)	December 15, 2014	NA

**The license has been granted to Surendra Yadav for doing work at Unit II of the Company till February 28, 2025.*

Unit III

License/Registration	Issuing Authority	Date of issue/Renewal	Validity
Consent to Establish	Jharkhand State Pollution Control Board	June 2, 2014	NA
License under Factories Act	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	December 31, 2029
Contract Labour license*	Office of Registration Officer, Government of Jharkhand	February 5, 2023	February 4, 2025
Contract Labour license^	Office of Registration Officer, Government of Jharkhand	October 1, 2023	September 30, 2024

**The license has been granted to M/s Mohammad Afaque Akhtar for doing work at Unit III of the Company till February 4, 2025.*

^The license has been granted to M BM Associates for doing work at Unit III of the Company.

Unit IV

License/Registration	Issuing Authority	Date of issue/Renewal	Validity
Consent to Establish	Jharkhand State Pollution Control Board	September 30, 2019	NA
License under Factories Act	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	December 31, 2029
Contract Labour license*	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	July 1, 2023	June 30, 2025
Contract Labour license**	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	March 10, 2024	March 20, 2025
Contract Labour license^	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	July 8, 2024	July 7, 2025
Contract Labour license#	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	April 22, 2024	April 21, 2025

**The license has been granted to MK Enterprises for doing work at Unit IV of the Company.*
***The license has been granted to National Engineering for doing work at Unit IV of the Company.*
^The license has been granted to M/s Avishkar Enterprise for doing work at Unit IV of the Company.
#The license has been granted to M/s Sri Ganesh Enterprises for doing work at Unit IV of the Company.

Unit V

License/Registration	Issuing Authority	Date of issue/Renewal	Validity
Consent to Establish	Jharkhand State Pollution Control Board	November 11, 2022	NA
License under Factories Act	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	December 31, 2030
Contract Labour license*	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	July 4, 2025
Contract Labour license**	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	November 6, 2024
Contract Labour license^	Government of Jharkhand (Department of Labour, Employment, Training and Skill Development)	NA	November 8, 2024

**The license has been granted to Raycharan Mudi for doing work at Unit V of the Company.*
***The license has been granted to M/s Aman Fabricators for doing work at Unit V of the Company.*
^The license has been granted to M/s Kiran Enterprises for doing work at Unit V of the Company.

Material Approvals for which fresh applications/ renewal applications have been made

Except as stated below, there are no Material Approvals for which fresh applications/renewal applications have been made by our Company:

Company/Unit Number	License/Registration	Issuing Authority	Date of Application
Unit I	Fire NOC	Fire Service Headquarters, Ranchi	August 16, 2024
Unit II	Consent to Operate	Jharkhand State Pollution Control Board	July 16, 2024

	Authorization Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Jharkhand State Pollution Control Board	July 16, 2024
	Fire NOC	Fire Service Headquarters, Ranchi	November 11, 2023
Unit III	Consent to Operate	Jharkhand State Pollution Control Board	July 16, 2024
	Authorization Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Jharkhand State Pollution Control Board	July 16, 2024
	Fire NOC	Fire Service Headquarters, Ranchi	November 11, 2023
Unit IV	Fire NOC	Fire Service Headquarters, Ranchi	November 11, 2023
	Consent to Operate	Jharkhand State Pollution Control Board	July 16, 2024
	Authorization Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Jharkhand State Pollution Control Board	July 16, 2024
Unit V	Authorization Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Jharkhand State Pollution Control Board	July 16, 2024
	Fire NOC	Fire Service Headquarters, Ranchi	November 11, 2023
	Consent to Operate	Jharkhand State Pollution Control Board	July 16, 2024

Material Approvals for which fresh applications/renewal applications are yet to be made

Except as stated below, there are no Material Approvals for which fresh applications/renewal applications are yet to be made by our Company:

We are presently in the process of making application for revised factories license for each of our Units to increase the permissible limit of the number of workers in each at each of our units.

Intellectual property related approvals

As on the date of this Red Herring Prospectus, the Company has applied for the following trade marks:

Sr. No	Name of the IPR registration/ license	Issuing Authority	Status	Trademark Number	Date of registration / application	Class	Date of Expiry
1.	**Kross Limited with artistic device**	Registrar of Trade Marks, Trade Marks Registry, Government of India	Opposed	4591271	July 31, 2020	**12**	**NA**
2.	**Artistic device of Kross**	Registrar of Trade Marks, Trade Marks Registry, Government of India	Objected	6122674	Septembe r 23, 2023	**99**	**NA**

For further details, see, "*Our Business – Intellectual Property*" on page 221, and for risks associated with intellectual property, see, "*Risk Factors –Intellectual property infringement risk - We do not possess registered* *trademarks for our corporate logo and name and may be unable to protect ourselves from infringement of our trademarks or unauthorised passing off of counterfeit products*" on page 45.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term "group companies" includes (i) such companies (other than the Company's promoters and subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the Board.

Accordingly, all such companies (other than the Company's Promoters) with which our Company had related party transactions as covered under the relevant accounting standard (i.e. Ind AS 24), as per the Restated Financial Information, have been considered as our group companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than our Companies Promoters) has been considered "material" and has been disclosed as a 'Group Company' in this Red Herring Prospectus if: (a) such company is a member of our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (b) our Company has entered into one or more transactions with such company during the last completed Fiscal or stub period, if applicable, which individually or cumulatively in value exceeds 20% of the revenue from operations of our Company for the last completed Fiscal derived from the Restated Financial Information.

Based on the above, our Group Company is as set forth below:

Tuff Seals Private Limited

In terms of the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from the audited financial statements are available at the website of our Company as indicated below ("**Group Company Financial Information**").

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The Group Company Financial Information and other information provided on the websites given below does not constitute a part of this Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Details of our Group Company

Sr. No.	Name	Registered office address	Website for financial information
1.	Tuff Seals Private Limited	B-28, Phase III, Adityapur Industrial Area PS- Adityapur, Jamshedpur, Singhbhum, Jharkhand, India, 831013	www.krosslimited.com

Nature and extent of interest of our Group Company

In the promotion of our Company

Our Group Company 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 filing of this Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company within the three years immediately preceding the date of filing of this Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of buildings and supply of machinery

Our Group Company is not interested in any transactions of our Company for the acquisition of land, construction of building or supply of machinery.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in "*Restated Financial Information –Note 40 – Related Party Disclosures*" on page 289, there are no related business transactions with our Group Company.

Common pursuits among the Group Company and our Company

As on the date of this Red Herring Prospectus, except for Tuff Seals Private Limited, which is authorised under its memorandum of association to engage in the business similar to that of our Company, there are no common pursuits between our Group Company and our Company. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Business and other interests

Our Group Company does not have any business or other interest in our Company except as otherwise disclosed in "*Restated Financial Information – Note 40 – Related Party Disclosures*" on page 289.

Certain other confirmations

None of the securities of our Group Company are listed on any stock exchange. Our Group Company do not have any listed debt securities.

Our Group Company has not undertaken any capital issues (public, rights or composite) in the three immediately preceding years.

Litigation

Our Group Company is not involved in any pending litigations which will have a material impact on our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by our Board of Directors pursuant to a resolution passed at their meeting held on October 21, 2023, and the Fresh Issue has been authorised by a special resolution of our Shareholders in their EGM held on October 26, 2023.

The Promoter Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to their respective portion of Offered Shares *vide* the consent letters dated November 8, 2023. Further, our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to the resolution dated November 9, 2023. For details, please refer to the section titled "*The Offer*" on page 71.

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on November 30, 2023. Further, this Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on September 2, 2024.

The details of authorization by the Promoter Selling Shareholders approving their participation in the Offer for Sale are set out below:

Sr. No.	Name of the Promoter Selling Shareholders	Offered Equity Shares up to (in ₹ million)	Date of consent letter
1.	Sudhir Rai	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹1,680.00 million	November 8, 2023
2.	Anita Rai	Up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 820.00 million	November 8, 2023

Each of the Promoter Selling Shareholders, specifically confirm that, as required under Regulation 8 of the SEBI ICDR Regulations, they have held their portion of the Offered Shares for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are eligible for being offered in the Offer for Sale. For more details, please refer to the section titled "*Capital Structure*" beginning on page 88.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated March 1, 2024.

Prohibition by SEBI or other governmental authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company (being the Promoters) are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI.

None of our Directors are associated with securities market in any manner including securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

The Promoter Selling Shareholders confirm that they have not been 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.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, the Promoters, each of the Promoter Selling Shareholders and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, and to the extent applicable, as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. Our Company has net tangible assets of at least ₹ 30.00 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each);

2. Our Company has an average operating profit of at least ₹ 150.00 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

3. Our Company has a net worth of at least ₹ 10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

4. Our Company has not changed its name in the last one year.

Our Company's restated average operating profits, net worth, restated net tangible assets and restated monetary assets derived from the Restated Financial Information included in this Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

S. No.	Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
1.	Restated net tangible assets[(1)] (A) (₹ *million*)	1,526.69	1,077.27	773.89
2.	Restated monetary assets[(2)] (B) (₹ *million*)	105.12	142.46	6.23
3.	% of restated monetary assets to restate net tangible assets (B/A*100)	6.89%	13.22%	0.81%
4.	Pre-tax operating (loss)/ profit, as restated[(3)] (₹ *million*)	749.72	532.00	240.45
5.	Restated Net worth[(4)], as restated (₹ *million*)	1,468.05	1,021.06	724.04

Notes:

(1) "Restated Net tangible assets" means the sum of all net assets of the Company as per the Restated Financial Information excluding Intangible Assets (as per IND AS- 38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)

(2) *"Restated Monetary Assets" means the sum of cash on hand, balance with banks in current account, balance with banks in deposit accounts, fixed deposit accounts, fixed deposit with maturity of more than 3 months and less than 12 months (free) and Fixed deposit with maturity of more than 3 months and less than 12 months (under lien) on restated basis.*

(3) *"Restated Net worth" means the aggregate value of paid-up equity share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses.*

The average of pre-tax operating profit for Fiscal 2024, Fiscal 2023 and Fiscal 2022 of our Company was ₹ 507.39 million.

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 monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest at the rate of 15% per annum, on the application money in accordance with applicable laws.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

1. Our Company, our Promoters, members of our Promoter Group, the Promoter Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

2. The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

3. Neither our Company, nor our Promoters, or Directors are categorized as a Wilful Defaulter or a Fraudulent Borrower;

4. None of our Promoters or our Directors has been declared as a Fugitive Economic Offender;

5. 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 Red Herring Prospectus;

6. Our Company has entered into tripartite agreements dated October 11, 2023 and October 5, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

7. The Equity Shares of our Company held by the Promoters are in the dematerialised form;

8. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus;

9. There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance; and

10. The amount for general corporate purposes shall not exceed twenty-five percent of the amount being raised by our Company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING EQUIRUS CAPITAL PRIVATE LIMITED ("BRLM"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE PROMOTER SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE BRLM ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGES THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 30, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholders and BRLM

Our Company, the Promoter Selling Shareholders, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website at www.krosslimited.com, or the respective websites of any affiliate of our Company would be doing so at his or her own risk.

Unless required by law, the Promoter Selling Shareholders accepts no responsibility for any statements and undertakings, except such statements and undertakings made or confirmed by it in this Red Herring Prospectus specifically in relation to itself, and its respective Offered Shares, are true and correct.

All information shall be made available by our Company, Promoter Selling Shareholders severally and not jointly (to the extent that the information pertain to its respective portions of the Offered Shares) and the BRLM to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Jamshedpur, India only.

Bidders eligible under Indian law to participate in the Offer

The Offer is being made in India to persons 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 authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, 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, Government of India, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Certain persons outside India are restricted from participating in the Offer. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 393.

Selling restrictions and transfer restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No 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, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered or sold in 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. The Equity Shares offered in the Offer are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that it 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, other than in accordance with applicable laws.

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represent and warrant to our Company, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold the Company, the Selling Shareholders and the Members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Company, the Selling Shareholders, the Members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements. Further, each Bidder must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any offshore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the draft Red Herring Prospectus, vide its in-principle approval dated March 1, 2024, is as under:

"*BSE Limited ("the Exchange") has given vide its letter dated March 1, 2024, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated March 1, 2024, is as under:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3144 dated March 01, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any* *responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus, in accordance with applicable law and the Promoter Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to the Offered Shares. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. For the avoidance of doubt, subject to applicable law, the Promoter Selling Shareholders shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to the Promoter Selling Shareholders. Each of the Promoter Selling Shareholders, severally and not jointly, undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Promoter Selling Shareholders in relation to its respective portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within three Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to 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 or such other rate as may be prescribed by the SEBI from time to time, for the delayed period, subject to applicable law.

Consents

Consents in writing of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company, Bankers to our Company, the BRLM, the Statutory Auditors of our Company, Registrar to the Offer, Chartered Engineer, to act in their respective capacities, have been obtained; and consents in writing of the Syndicate Member, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s) and Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act. All such consents have not been withdrawn until the date of this Red Herring Prospectus.

Experts to the Offer

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

(a) Our Company has received written consent dated August 20, 2024 from M/s S.K. Naredi & Co. Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated August 20, 2024 relating to the Restated Financial Information as at and for the years ended March 31, 2024, 2023 and 2022; and (ii) the statement of tax benefits dated August 20, 2024 included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red

Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(b) Our Company has received written consent dated August 16, 2024 from the Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 an independent chartered engineer, in relation to the certificate dated August 16, 2024 certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

(c) Our Company has received written consent dated November 30, 2023 from Adarsh Kumar Agarwal, the practicing company secretary, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 a practicing company secretary, in relation to the certificate dated November 30, 2023, certifying, inter alia, the details of the share capital built up of our Company and our Promoters. Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

As on date of this Red Herring Prospectus, our Company does not have any listed subsidiary or Group Company or associate entity.

Except as disclosed in section titled "*Capital Structure – Share capital history of our Company*" on page 89, there have been no public issues, including any rights issues (as defined under the SEBI ICDR Regulations) undertaken by our Company during the five years preceding the date of this Red Herring Prospectus.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue 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 subscription for any of the Equity Shares since our Company's incorporation.

Particulars regarding capital issues by our Company and listed Group Company during the last three years

Our Company have not made any public/ rights/ composite issues during the three years preceding the date of this Red Herring Prospectus. Other than as disclosed in the section titled "*Capital Structure*" on page 88, our Company has not undertaken any capital issuances in the three years immediately preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of our Company

Except as disclosed in section titled "*Capital Structure – Share capital history of our Company*" on page 89, our Company has not undertaken any public issue or rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of the listed subsidiaries

Our Company does not have any listed subsidiary as on the date of this Red Herring Prospectus.

Price information of past issues handled by the BRLM

Equirus Capital private Limited

Price information of past issues handled by Equirus Capital Private Limited during the current Financial Year and the two Financial Years preceding the current Financial Year:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Divgi TorTransfer Systems Limited#	4,121.20	590.00	March 14, 2023	600.00	+12.04% [+4.30%]	+39.64% [+8.16%]	+67.75% [+14.51%]
2.	Netweb Technologies India Limited#	6,310.00	500.00[1]	July 27, 2023	942.50	+73.20% [-2.08%]	+67.87% [-2.56%]	+182.48% [+7.78%]
3.	TVS Supply Chain Solutions Limited$	8,800.00	197.00	August 23, 2023	207.05	+8.71% [+1.53%]	+6.57% [+1.29%].	-7.46% [+13.35%]
4.	Zaggle Prepaid Ocean Services Limited$	5,633.77	164.00	September 22, 2023	164.00	+30.95% [-0.67%]	+34.39% [+7.50%].	+87.71% [+10.89%].
5.	Protean eGov Technologies Limited#	4,899.51	792.00[2]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	+45.85% [+11.91%]
6.	Fedbank Financial Services Limited$	10,922.64	140.00[3]	November 30, 2023	138.00	-2.75% [+7.94%]	-12.39% [+10.26%]	-13.43% [+13.90%]
7.	Happy Forgings Limited$	10,085.93	850.00	December 27, 2023	1,000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
8.	Jyoti CNC Automation Limited$	10,000.00	331.00[4]	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	+265.79% [+11.21%]
9.	Capital Small Finance Bank Limited#	5,230.70	468.00	February 14, 2024	435.00	-25.25% [+1.77%]	-26.09% [+1.33%]	-31.44% [+10.98%]
10.	Dee Development Engineers Limited$	4,180.15	203.00[5]	June 26, 2024	339.00	+81.16% [+2.25%]	N.A.	N.A.

Source*: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*

Notes:

1. *A discount of ₹25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Netweb Technologies India Limited IPO*
2. *A discount of ₹75 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Protean eGov Technologies Limited IPO*
3. *A discount of ₹10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Fedbank Financial Services Limited IPO*
4. *A discount of ₹15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Jyoti CNC Automation Limited IPO*
5. *A discount of ₹19 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Dee Development Engineers Limited IPO*
6. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
7. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
8. *N.A. (Not Applicable) – Period not completed.*

\# *The S&P BSE SENSEX is considered as the Benchmark Index*

$ *The S&P CNX NIFTY is considered as the Benchmark Index*

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025*	1	4,180.15	-	-	-	1	-	-	-	-	-	-	-	-
2023-2024	8	61,882.55	-	1	1	2	2	2	-	1	2	3	2	-
2022-2023	5	28,975.05	-	1	1	-	1	2	-	1	1	1	2	-

** The information is as on the date of this Offer Document.*
The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Equirus Capital Private Limited	www.equirus.com

Stock market data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on date of this Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. 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.

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

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount, whichever is higher, in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, for each day delayed, the post-Offer the Book Running Lead Manager shall be liable to compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount, whichever is higher. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, 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. Further, in terms of the SEBI RTA Master Circular, issued to the Registrars to an Offer and the Share Transfer Agents, provides that the registration granted to such share transfer agents shall be for the principal as well as for all the branch offices in India of the Registrar to an Offer, and shall be declared in its application for obtaining such registration.

By way of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, 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. Pursuant to the circular dated March 16, 2021, 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 containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Member to once per Bid/Batch; 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.

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/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/00094 dated June 21, 2023.

Further, helpline details of the BRLM pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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, are provided in the section titled "*General Information – Book Running Lead Manager*" on page 80.

Disposal of investor grievances by our Company

Our Company has obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances. Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus. 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 has also appointed Debolina Karmakar, Company Secretary as the Compliance Officer for the Offer. For details, please refer to the section titled "*General Information – Company Secretary and Compliance Officer*" on page 79.

Our Company has constituted a Stakeholders' Relationship Committee comprising Sanjiv Paul as Chairperson, and Sudhir Rai and Kunal Rai, as members. For details, please refer to the section titled "*Our Management – Committees of our Board – Stakeholders' Relationship Committee*" on page 241.

The Promoter Selling Shareholders have authorised the Company Secretary and Compliance Officer, and the Registrar to the Offer to deal with and redress, on their behalf any investor grievances received in the Offer in relation to their respective portion of the Offered Shares.

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

We have not sought any exemption from SEBI from complying with any provisions of securities law in respect of the Offer as on the date of this Red Herring Prospectus.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION IX: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, 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 this 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 the Allotment Advices and 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 issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, 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 Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue by the Company and Offer for Sale by the Promoter Selling Shareholders. The expenses for the Offer shall be shared amongst our Company and the Promoter Selling Shareholders in the manner specified in the section titled "*Objects of the Offer*", beginning on page 107.

Ranking of Equity Shares

The Equity Shares being offered/Allotted 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 shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the sections entitled "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 252 and 394, respectively.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the GoI in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, please refer to the sections titled "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 252 and 394, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 5 each 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 Offer Price, Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLM, and advertised in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association of our Company and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/ sub-division, please refer to the section titled "*Main Provisions of Articles of Association*" on page 394.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations the Equity Shares shall be Allotted only in dematerialised form. The Equity Shares offered through this Red Herring Prospectus can be applied for in the dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated October 11, 2023 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated October 5, 2023 amongst our Company, CDSL and Registrar to the Offer.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares to QIBs and RIBs. The Allotment to Non-Institutional Bidders shall not be less than the minimum Non-Institutional application size. For the method of Basis of Allotment, please refer to the section titled "*Offer Procedure*" on page 370.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Jamshedpur, India.

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.

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 to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of the 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/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the 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 dividends, 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 mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/ Offer programme

BID/OFFER OPENS ON	MONDAY, SEPTEMBER 9, 2024[(1)]
BID/OFFER CLOSES ON	WEDNESDAY, SEPTEMBER 11, 2024[(2)]

[(1)]Our Company, in consultation with the BRLM may, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date that is Friday, September 6, 2024.

[(2)]UPI mandate end time and date shall be 5:00 p.m. on the Bid/ Offer Closing Date, i.e., on September 11, 2024.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date*	Wednesday, September 11, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, September 12, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about Friday, September 13, 2024
Credit of Equity Shares to demat accounts of Allottees	On or about Friday, September 13, 2024

Event	Indicative Date
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Monday, September 16, 2024

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the e circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with 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.*

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Promoter Selling Shareholders or the BRLM.

Whilst our Company and the Promoter Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/ Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLM 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 from the Bid/ Offer Closing Date as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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*	

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders and Eligible Employees	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (Syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (Syndicate non-retail, non-individual applications) where Bid Amount is more than ₹0.50 million	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ revision/cancellation of Bids	
Upward revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward revision of Bids or cancellation of Bids by Retail Individual Bidders and Eligible Employees	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date

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

\# *QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.*

On Bid/ Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs, after taking into account the total number of Bids received and as reported by the BRLM 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 until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

To avoid duplication, the facility of re-initiation provided to Syndicate Member 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 shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case maybe, 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 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days.

Investors 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.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5.00 pm on the Bid/ Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations, provided that the revised Cap Price shall be less than or equal to 120% of the revised Floor Price, the Floor Price shall not be less than the face value of the Equity Shares, and that the revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Member and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum subscription

As this is an Offer for Sale by the Promoter Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, (i) if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, including through the devolvement of Underwriters, within such period as prescribed under applicable law; (ii) the level of subscription falls below the threshold specified above on account of withdrawal of applications or after technical rejections or for any other reason whatsoever; or (iii) if the listing or trading permissions are not obtained from the Stock Exchanges for the Equity Shares offered pursuant to the Offer documents, our Company and the Promoter Selling Shareholders, shall, to the extent applicable, forthwith refund the entire subscription amount received within such period as prescribed by SEBI. If there is a delay in refunding the amount beyond such period, our Company and every director of the company who is an officer in default shall pay interest at such rate as required under applicable law. The Promoter Selling Shareholders shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by such Promoter Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of the Promoter Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Promoter Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission such Promoter Selling Shareholder in relation to its portion of the Offered Shares.

Under-subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in the section titled "*Capital Structure*" on page 88 and except as provided under the Articles of Association, there are no restrictions on transfer or transmission of the Equity Shares. For details, please refer to the section titled "*Main Provisions of Articles of Association*" beginning on page 394.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Withdrawal of the Offer

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks 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. The notice of the withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and (ii) filing of the Prospectus with the RoC. If our Company, in consultation with the BRLM, withdraws the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

Offer of up to [●] equity shares of face value ₹ 5 each for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ 5,000.00 million comprising a Fresh Issue of up to [●] equity shares of face value ₹ 5 each aggregating up to ₹ 2,500.00 million by our Company and an Offer for Sale of up to [●] equity shares of face value ₹ 5 each for cash at a price of ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share aggregating up to ₹ 2,500.00 million by the Promoter Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process, in compliance with Regulations 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Bidders(4)	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*(2)	Not more than [●] equity shares of face value ₹ 5 each	Not less than [●] equity shares of face value ₹ 5 each available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] equity shares of face value ₹ 5 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, upto 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders, subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million.(6) provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] equity shares of face value ₹ 5 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] equity shares of face value ₹ 5 each shall be available for allocation on a proportionate basis to all	The allocation to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares if any, shall be allocated on a proportionate basis. For details, please refer to the section titled "*Offer Procedure*" beginning on page 370	The allotment to each Retail Individual Bidder shall not be less than the maximum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details, please refer to the section titled "*Offer Procedure*" on page 370

Particulars	QIBs[1]	Non-Institutional Bidders[4]	Retail Individual Bidders
	QIBs, including Mutual Funds receiving allocation as per (a) above. (c) up to 60% of the QIB Portion (of up to [●] equity shares of face value ₹ 5 each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] equity shares of face value ₹ 5 each so that the Bid Amount exceeds ₹ 0.20 million and in multiples of [●] equity shares of face value ₹ 5 each thereafter	Such number of Equity Shares and in multiples of [●] equity shares of face value ₹ 5 each so that the Bid Amount exceeds ₹ 0.20 million and in multiples of [●] Equity Shares thereafter	[●] equity shares of face value ₹ 5 each
Maximum Bid	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 5 each so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 5 each so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] equity shares of face value ₹ 5 each so that the Bid Amount does not exceed ₹ 0.20 million
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] equity shares of face value ₹ 5 each and in multiples of [●] equity shares of face value ₹ 5 each thereafter		
Allotment Lot	A minimum of [●] equity shares of face value ₹ 5 each and in multiples of [●] equity shares of face value ₹ 5 each thereafter.		
Trading Lot	One Equity Share		
Who can apply[3][5]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies, and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[1]	Non-Institutional Bidders[4]	Retail Individual Bidders
	corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250.00 million, pension fund with minimum corpus of ₹ 250.00 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 Systemically Important NBFCs.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) and through the UPI Mechanism (for RIBs or individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding^	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹ 0.50 million)	Through ASBA process only (including the UPI Mechanism)

** Assuming full subscription in the Offer*

^ Anchor Investors are not permitted to use the ASBA process. Further, pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIBs and all modes through which the Applications are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.

(1) Our Company, in consultation with the BRLM, 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 Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, please refer to the section titled "Offer Procedure" on page 370.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. The Equity Shares available for allocation

to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

(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 signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter 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.

(5) Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 378 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter 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 Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please refer to the section titled "*Terms of the Offer*" on page 359.

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, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for UPI Bidders applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days was made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), and prescribed by SEBI. Further, SEBI vide its 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, had introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. Subsequently, the SEBI RTA Master Circular consolidated the aforementioned circulars to the extent relevant for the RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings whose application sizes are up to ₹ 0.50 million shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.

Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. This shall be applicable voluntarily for all public issues opening on or after September 1, 2023 and is mandatory for all *public issues opening on or after December 1, 2023. This Red Herring Prospectus has been drafted in accordance with phase III of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers.*

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

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 the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of SCRR read with Regulation 31 of the SEBI ICDR Regulations through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, 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 domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares 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 (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 on a proportionate basis to Non-Institutional Bidders, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. And not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price on proportionate basis. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders must ensure that their PAN is linked with Aadhar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by UPI Bidders as per the UPI Circulars

SEBI has issued UPI circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("**Previous UPI Circulars**") and the UPI Circulars, 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 the ASBA) for applications by UPI Bidders through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to 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 and the Previous UPI Circulars have introduced and implemented the UPI payment 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 until June 30, 2019. Under this phase, a RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. 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 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.

Phase III: The Phase III commenced voluntarily for all public issues opening on or after September 1, 2023 and is mandatory for all public issues opening on or after December 1, 2023 as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Circular**"). In this phase, the time duration from public issue closure to listing is reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Offer is being made under Phase II of the UPI, unless Phase III of the UPI becomes effective and applicable on or prior to the Bid/ Offer Opening Date. 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 finalized. 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 will be required to compensate the concerned investor.

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 BRLM, 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.

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 make a written confirmation as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance 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/P/CIR/2022/75 dated May 30, 2022.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchanges and the Book Running Lead Manager.

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 relevant Bidding Centres, and at our Registered Office and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investors' application form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. 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 investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. RIB, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked UPI Bidders shall Bid through the UPI Mechanism.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. UPI Bidders bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Offer is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs 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) RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. RIB, QIB and NIB and also for all modes through which the applications are processed.

Non-Institutional Bidders Bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

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 QIBs, Non-institutional Bidder and Retail Individual Bidder, each resident in India and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors**	White

**Excluding electronic Bid cum Application Form*
***Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager. Electronic Bid cum Application Forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).]*

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs 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. 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.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and 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 UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ 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. Further, modification of Bids shall be allowed in parallel during the Bid/ Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank.

The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLM 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/2021/2480/1/M dated April 20, 2022. Further, 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 circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M 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.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

d. Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100 – Black Request Accepted by Investor/ Client, based on responses/status received from the Sponsor Bank.

The Sponsor Bank 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 will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank 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 Banks on a continuous basis.

For ASBA Forms (other than UPI Bidders using UPI Mechanism), 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.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line 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 on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5:00 pm on the Bid/ Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by the Promoters, members of their respective Promoter Groups, the Book Running Lead Manager, and persons related to Promoters/Promoter Groups/the Book Running Lead Manager

The Book Running Lead Manager shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as disclosed below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, the Promoters and members of their respective Promoter Groups, except to the extent of their respective Offered Shares, shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and their respective Promoter Groups shall not apply in the Offer under the Anchor Investor Portion. However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoters or Promoter Groups of our Company:

(i) Rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Groups of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Manager.

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 Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 such 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 NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs 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 using UPI Mechanism are advised to enquire with relevant bank whether their bank account is UPI linked prior to making such applications. For details of restrictions on investment by NRIs, please refer to the section titled "*Restrictions on Foreign Ownership of Indian Securities*" on page 393.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI shall be less than 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company. FPIs are permitted to participate in Offer subject to compliance with conditions and restrictions which may be specified by the Government of India from time to time.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non – Residents (Blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that 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 ("**MIM Structure**") in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the 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 along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure 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 are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus.

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

With effect from the April 1, 2020, the aggregate limit are the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

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 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

An FPI Issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the 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 to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250.00 million and pension funds with a minimum corpus of ₹ 250.00 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 (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, in consultation with the Book Running Lead Manager in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations till the existing fund or scheme managed by the fund is wound up.

Subject to compliance with applicable law and investment restrictions, FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) 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.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules. Further, VCFs, Category I AIFs or Category II AIFs and FVCIs holding Equity Shares of the Company, shall be exempt from lock-in requirements, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of Category I or II or foreign venture capital investor.

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 Promoter Selling Shareholders or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with 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 BRLM, 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 the Master Directions – 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, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time -bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the 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 BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are 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. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250.00 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, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Systematically Important NBFCs

In case of Bids made by Systemically Important NBFCs 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 Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systematically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100.00 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 ₹ 100.00 million.

c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

d) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

e) Our Company, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, 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 ₹ 100.00 million;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and

- in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

f) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

j) Neither (a) BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply in the Offer under the Anchor Investor Portion.

k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The information set out above is given for the benefit of the Bidders and they should take note of applicable law before making investment. 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 regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such

as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

In accordance with RBI regulations, OCBs cannot participate in this Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM 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 this Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. UPI Bidders can revise their Bid(s) during the Bid/ Offer Period and withdraw or lower the size of their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

7. 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 using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. 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;

10. 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;

11. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. 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) submitted by investors who are exempt from requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of SEBI circulars MRD/DoP/Dep/Cir-09/06 and MRD/DoP/SE/Cir-13/06 dated July 20, 2006 and September 26, 2006 respectively, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the 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;

14. 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;

15. 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;

16. 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;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

18. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

19. 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;

20. Since the Allotment will be in dematerialized form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online 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 bidding through UPI mechanism) and PAN available in the depository database;

21. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in;

22. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, 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 submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. 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;

25. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

26. UPI Bidders 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 authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

27. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

28. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

29. Bids by Eligible NRIs for a Bid Amount of less than ₹ 0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 0.20 million would be considered under the Non-Institutional Category for allocation in the Offer;

30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Manager;

31. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

32. The ASBA Bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by SCSBs.

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 list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Don’ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 0.20 million (for Bids by Retail Individual Bidders);

4. 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;

5. Do not Bid/ revise the Bid Amount to less than the floor price or higher than the Cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. 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;

12. 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;

13. 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);

14. Do not fill up the Bid cum Application Form such that the Bids for Equity Shares for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

21. 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;

22. Do not submit the General Index Register (GIR) number instead of the PAN;

23. Anchor Investors should submit Anchor Investor Application Form only to the BRLM;

24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

25. Do not submit multiple bids using same application number, same UPI ID, multiple UPI's linked with same PAN Number.

26. If you are a QIB, do not submit your Bid after 3:00 p.m. on the QIB Bid/ Offer Closing Date;

27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

28. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

29. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

30. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

31. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

32. 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 the UPI Bidders using the UPI Mechanism;

33. Do not Bid if you are an OCB;

34. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

35. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism.

36. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 0.50 million.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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, please refer to the section titled "*General Information – Company Secretary and Compliance Officer*" on page 79.

For helpline details of the BRLM pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please refer to the section titled "*General Information – Book Running Lead Manager*" on page 80.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSB and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by UPI Bidders with Bid Amount of a value of more than ₹ 0.20 million (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4:00 p.m. on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4:00 p.m. on the Bid/ Offer Closing Date, and Bids by UPI Bidders uploaded after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, 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 informed to the Stock Exchanges.

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 our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, please refer to the section titled "*General Information*" on page 78.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company shall not make an allotment if the number of prospective allotees is less than one thousand. Our Company will not make any Allotment in excess of the Equity Shares issued through the Offer through this Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non- Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB 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.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the Book Running Lead Manager 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 Escrow Account(s) should be drawn in favour of:

a) In case of resident Anchor Investors: “KROSS LIMITED-ANCHOR R A/C”

b) In case of non-resident Anchor Investors: “KROSS LIMITED-ANCHOR NR A/C”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the BRLM, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid Amounts from Anchor Investors.

Pre-Offer advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located).

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located).

The information set out above is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

a) Our Company, the Promoter Selling Shareholders, the Underwriters, and the Registrar to the Offer intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price which shall be a date prior to the filing of Prospectus.

b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the Book Running Lead Manager within such period as may be prescribed under applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- 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 such time as may be prescribed by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- Except for the Equity Shares allotted pursuant to the Offer, no further issuance of Equity Shares shall be undertaken by our Company till the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and

- Our Company, in consultation with the BRLM, reserves the right not to proceed with the Offer, in whole or in part thereof, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice in all editions of Financial Express, an English national newspaper, all editions of Jansatta, a Hindi national newspaper, each with wide circulation, and Jamshedpur edition of Utkal Mail, a Hindi daily newspaper with wide circulation in Jharkhand (Hindi also being the regional language of Jharkhand where our Registered Office is located), 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.

Depository arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated October 11, 2023, amongst our Company, NSDL and Registrar to the Offer.

- Tripartite agreement dated October 5, 2023, amongst our Company, CDSL and Registrar to the Offer.

Undertakings by the Promoter Selling Shareholders

Each Promoter Selling Shareholder, severally and not jointly, undertakes and/or confirms the following in respect to himself/herself as a Promoter Selling Shareholder and its respective portion of the Offered Shares:

- that the Offered Shares have been held by it for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations;

- that it is the legal and beneficial holder of and has full title to the Offered Shares, which have been acquired and is held by him in full compliance with applicable law;

- the Offered Shares shall be transferred pursuant to the Offer, free and clear of any liens, charges, encumbrances and transfer restrictions of any kind whatsoever;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer;

- that it shall provide all reasonable co-operation as requested by our Company to the extent of the Offered Shares of each Promoter Selling Shareholder in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and completion of the necessary formalities for listing and commencement of trading of its portion of the Offered Shares on the Stock Exchanges and refund orders to the extent of its portion of the Offered Shares;

- that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to its portion of the Offered Shares;

- it shall not have recourse to the proceeds from the Offer for Sale, which shall be held in escrow in its favour, until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges; and

- his respective portion of the Offered Shares are fully paid-up, in dematerialized form.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholders, are statements which are specifically confirmed or undertaken by the Promoter Selling Shareholders in relation to itself and the Offered Shares. All other statements or undertakings or both in this Red Herring Prospectus in relation to the Promoter Selling Shareholders, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholders.

Utilisation of Offer Proceeds

All the 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.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹ 1.00 million or 1% of the turnover of a company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1.00 million or one per cent of the turnover of a company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020 (the "**FDI Policy**"), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. As on date, under the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted for our Company. As per the FDI Policy, our business is currently categorized under the cash and carry business and single brand retail business.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, please refer to the section titled "*Offer Procedure*" on page 370.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, please refer to the sections titled "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on pages 377 and 378 respectively.

SECTION X: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

There are no material clauses of the Articles of Association of our Company that have been left out from disclosure having bearing on the Offer, in this Red Herring Prospectus.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KROSS LIMITED

PRELIMINARY

PART A

1.	(1)	The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.	Table 'F' not to apply
	(2)	The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to be governed by these Articles
Definitions and Interpretation			
2.	(1)	In these Articles —	
		(a) "**Act**" means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment 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.	"Act"
		(b) "**Applicable Laws**" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time	"Applicable Laws"
		(c) "**Articles**" means these articles of association of the Company or as altered from time to time.	"Articles"
		(d) "**Board of Directors**" or "**Board**", means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 84 to 90, herein, as may be applicable.	"Board of Directors" or "Board"
		(e) "**Company**" means Kross Limited	"Company"
		(f) "**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;	"Lien"
		(g) "**Memorandum**" means the memorandum of association of the Company or as altered from time to time.	"Memorandum"

	(h) "**Rules**" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	"Rules"
	(i) " **SEBI"** means Securities Exchange Board of India established under Securities Exchange Board of India Act, 1992	"SEBI"
	(j) "**SEBI LODR**" means the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015	"SEBI LODR"
(2)	Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	"Number" and "Gender"
(3)	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	Expressions in the Articles to bear the same meaning as in the Act
Articles to be contemporary in nature		
3.	The intention of these Articles is to be in consonance with the Article contemporary rules and regulations prevailing in India. If there is an contemporary amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.	Articles to be contemporary in nature
Share capital and variation of rights		
4.	The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.	Authorized share capital
5.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board 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 (subject to the compliance with the provision of section 53 of the Act) and at such time as they may from time to time think fit provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting.	Shares under control of Board
6.	Subject to the provisions of the Act, these Articles and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the 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.	Board may allot shares otherwise than for cash
7.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws: (a) Equity Share capital: (i) with voting rights; and / or	Kinds of share capital

	(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital	
8. (1)	Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide – (a) one or more certificates in marketable lots 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 Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.	Issue of certificate

(2)	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 the person first named on the register of members shall be sufficient delivery to all such holders.	Issue of share certificate in case of joint holding
(3)	Every certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.	Option to receive share certificate or hold shares with depository
9.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.	Option to receive share certificate or hold shares with depository
10.	If any 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board. 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.	Issue of new certificate in place of one defaced, lost or destroyed

		Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act,1956 or any other act, or rules applicable thereof in this behalf.	
11.		Except as required by Applicable Laws, no person shall be recognized 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 recognize (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 Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	Share and interest in shares
12.		Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a 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 and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.	Terms of issue of debentures
13.		The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.
14.	(1)	The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.	Power to pay commission in connection with securities issued
	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
	(3)	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.	Mode of payment of commission
15.	(1)	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 the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
(2)		To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	Provisions as to general meetings to apply mutatis mutandis to each Meeting
16.		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 shares ranking pari passu therewith.	Issue of further shares not to affect rights of existing members
17.		Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares

Lien

18. (1)	Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions : - the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined the aforementioned offer 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 mentioned in sub-Article (i), above shall contain a statement of this right; and after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder. The notice referred to in sub-clause (i) of sub-Article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue. The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the rules thereunder and other applicable provisions of the Act.	Further issue of share capital
(2)	Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture 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 debenture or the raising of loan by a special resolution passed by the Company in general meeting.	
(3)	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.	Mode of further issue of shares

Lien

19. (1)	The Company shall have a first and paramount Lien –	Company's lien on shares

	(a) on every share (not being a fully paid share) 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 that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares.	
(2)	The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.	Lien to extend to dividends, etc.
(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's Lien.	Waiver of Lien in case of registration
20.	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 to the person entitled thereto by reason of his death or insolvency or otherwise.	As to enforcing Lien by sale
21. (1)	To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.	Validity of sale
(2)	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	Purchaser to be registered holder
(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale	Purchaser not affected
22. (1)	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.	Application of proceeds of sale
(2)	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.	Payment of residual money
23.	The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to Lien to apply mutatis mutandis to debentures, etc.
Calls on shares		
24. (1)	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.	Board may make Calls

(2)	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.	Notice of call
(3)	A call may be revoked or postponed at the discretion of the Board	Revocation or postponement of call
25.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.	Call to take effect from date of resolution
26.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
27. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	When interest on call or instalment payable
(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
28. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	Sums deemed to be calls
(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of nonpayment of sums
29.	The Board – (a) may, if it thinks fit, subject to the provisions of the Act, 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; 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. The Directors may at any time repay the amount so advanced.	Payment in anticipation of calls may carry interest
30.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Installments on shares to be duly paid
31.	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Calls on shares of same class to be on uniform basis
32.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures, etc.
Transfer of shares		
33. (1)	A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee	Instrument of transfer to be executed by transferor and transferee

	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.	
(2)	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.	
34.	The Board may, subject to the right of appeal conferred by the 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. 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.	Board may refuse to register transfer
35.	The Board may decline to recognize any instrument of transfer unless- (a) the instrument of transfer is duly executed and is in the form as prescribed in the 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. 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.	Board may decline to recognize instrument of transfer
36.	On giving of previous notice of at least seven days or such lesser period in accordance with 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.	Transfer of shares when suspended
37	Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, 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, subject to provisions of Article 32, 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. Transfer of shares/debentures in whatever lot shall not be refused.	Notice of refusal to register transfer

38	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.
Transmission of shares		
39. (1)	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.	Title to shares on death of a member
(2)	Nothing in clause (1) 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.	Estate of deceased member liable
40. (1)	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.	Transmission Clause
(2)	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.	Board's right unaffected
41. (1)	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.	Right to election of holder of share
(2)	If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
(3)	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.	Limitations applicable to notice
42.	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.	Claimant to be entitled to same advantage
43.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company	Provisions as to transmission to apply mutatis mutandis to debentures, etc.
44	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	No fee for transfer or transmission
Forfeiture of shares		

45.	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or instalment not paid notice must be given
46.	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.	Form of Notice
47.	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.	In default of payment of shares to be forfeited
48.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members.	Entry of forfeiture in register of members
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
50. (1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
(2)	At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
51. (1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
(2)	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.	Cesser of liability
52. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeited shares
(3)	The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
(4)	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, re-allotment or disposal of the share.	Transferee not affected

53.	Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	Validity of sales
54.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificate in respect of forfeited shares
55.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of share certificates
56.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
57.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.
Alteration of capital		
58.	Subject to the provisions of the Act, the Company may, by ordinary resolution - (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Power to alter share capital
59.	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:	Right of stockholders

	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 these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "**share**" and "**shareholder**"/ "**member**" shall include "**stock**" and "**stock-holder**" respectively.	
60.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	Reduction of capital
61.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint holders
	(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.	Liability of Joint holders
	(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.	Death of one or more joint-holders
	(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.	Receipt of one Sufficient
	(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.	Delivery of certificate and giving of notice to first named holder
	(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the	Vote of joint holders

	register in respect of such shares shall alone be entitled to vote in respect thereof.	
	(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.	Executors or administrators as joint holders
	(f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc.
Capitalization of profits		
62. (1)	The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	Capitalization
(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, 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 or other securities 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).	Sum how applied
(3)	A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
(4)	The Board shall give effect to the resolution passed by the Company in pursuance of these Article.	
63. (1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall – (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto.	Powers of the Board for capitalization
(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be	Board's power to issue fractional certificate/ coupon etc.

	entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.	
(3)	Any agreement made under such authority shall be effective and binding on such members.	Agreement binding on members
Buy-back of shares		
64.	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
General meetings		
65.	All general meetings other than annual general meeting shall be called extraordinary general meeting.	Extraordinary general meeting
66.	The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
Proceedings at general meetings		
67.	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.	Presence of Quorum
68.	No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.	Business confined to election of Chairperson whilst chair vacant
69.	The quorum for a general meeting shall be as provided in the Act.	Quorum for general meeting
70.	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, by poll or electronically, choose one of their members to be Chairperson of the meeting.	Members to elect a Chairperson
71.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
72. (1)	The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their page s consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
(2)	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	Certain matters not to be included in Minutes
(3)	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of Chairperson in relation to Minutes
(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be Evidence
73. (1)	The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:	Inspection of minute books of general meeting

	(a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during business hours on all working days.	
(2)	Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.	Members may obtain copy of minutes
Adjournment of meeting		
74. (1)	The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.	Chairperson may adjourn the meeting
(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
(3)	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.	Notice of adjourned meeting
(4)	Save as aforesaid, and save as provided in 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.	Notice of adjourned meeting not required
Voting rights		
75.	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.	Entitlement to vote on show of hands and on poll
76.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
77. (1)	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.	Vote of joint holders
(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Seniority of names
78.	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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members non compos mentis and minor may vote
79.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
80.	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 or in regard to which the Company has exercised any right of Lien.	Restriction on voting rights
81.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
82.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members
Proxy		

83. (1)	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarized 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, and in default the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
84.	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of proxy
85.	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.	Proxy to be valid notwithstanding death of the principal
Board of Directors		
86.	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than fifteen (fifteen). The Directors shall not be required to hold any qualification shares in the Company.	Board of Directors & Qualification shares
87 (1)	The Board of Directors shall appoint the Chairperson of the Company. The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.	Chairperson and Managing Director
(2)	The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.	Directors not liable to retire by rotation
88. (1)	The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of Directors
(2)	The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.	Remuneration to require members' consent
(3)	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.	Travelling and other expenses
(4)	Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred	Sitting Fees
APPOINTMENT AND REMUNERATION OF DIRECTORS		
89.	Subject to the provisions of the Act and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors	Appointment

	to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act.	
90	Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board.	Independent Director
91.	Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.	Remuneration
92.	Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director	Payment for Extra Service
93.	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.	Execution of negotiable instruments
94. (1)	Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of additional directors
(2)	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.	Duration of office of additional director
95. (1)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
(2)	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India	Duration of office of alternate director
(3)	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director
96. (1)	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.	Appointment of director to fill a casual vacancy

(2)	The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated.	Duration of office of Director appointed to fill casual vacancy
Powers of Board		
97.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	General powers of the Company vested in Board
Proceedings of the Board		
98. (1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Provided, that the Board of Directors shall hold meetings at least once in every three months and at least four times every calendar year.	When meeting to be convened
(2)	The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	Who may summon Board meeting
(3)	The quorum for a Board meeting shall be as provided in the Act.	Quorum for Board meetings
(4)	The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.	Participation at Board meetings
(5)	At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors.	Notice of Board meetings
99. (1)	Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.	Questions at Board meeting how decided
(2)	In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Casting vote of Chairperson at Board meeting
100.	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.	Directors not to act when number falls below minimum
101. (1)	The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.	Who to preside at meetings of the Board
(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting	Directors to elect a Chairperson

102. (1)	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.	Delegation of powers
(2)	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.	Committee to conform to Board regulations
(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.	Participation at Committee meetings
103. (1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.	Chairperson of Committee
(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Who to preside at meetings of Committee
104. (1)	A Committee may meet and adjourn as it thinks fit.	Committee to meet
(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.	Questions at Committee meeting how decided
(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.	Casting vote of Chairperson at Committee meeting
105.	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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment
106.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by Circulation
Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer		
107. (a)	Subject to the provisions of the Act, - A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	Chief Executive Officer, etc.
(b)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Director may be chief executive officer, etc.
Registers		
108.	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed,	Statutory registers

	decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	
109. (a)	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	Foreign register
(b)	The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.	

Dividends and Reserve		
110.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Company in general meeting may declare dividends
111.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
112. (1)	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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.	Dividends only to be paid out of profits
(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of Profits
113. (1)	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.	Division of profits
(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
(3)	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.	Dividends to be apportioned
114. (1)	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.	No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom
(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	Retention of dividends
115. (1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent	Dividend how remitted

	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.	
(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of Payment
(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge to Company
116.	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.	Receipt of one holder sufficient
117.	No dividend shall bear interest against the Company.	No interest on dividends
118.	The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends

UNPAID OR UNCLAIMED DIVIDEND		
119. (1)	Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.	Transfer of unclaimed dividend
(2)	Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.	Transfer to IEPF Account
(3)	No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.	Forfeiture of unclaimed dividend
Accounts		
120. (1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	Inspection by Directors
(2)	No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board.	Restriction on inspection by members
Winding up		
115.	Subject to the applicable provisions of the Act and the Rules made thereunder –	Winding up of Company
(a)	If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.	

(b)	For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.	
(c)	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
Indemnity and Insurance		
121. (a)	Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.	Directors and officers right to indemnity
(b)	Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.	
(c)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Insurance
Secrecy		
122.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	
General Power		
123.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "**Listing Regulations**"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall	General power and Requirement of compliance with the provisions of SEBI LODR (as amended) and rules and regulations made by SEBI from time to time.

	discharge all of its obligations as prescribed under the Listing Regulations, from time to time.	

SECTION XI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents and contracts for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10:00 a.m. and 5:00 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date). Copies of the documents for inspection referred to hereunder, will also be available on the website of our Company at www.krosslimited.com from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date). Any of the contracts or documents mentioned in this 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 of the Companies Act and other applicable law.

A. Material contracts for the Offer

1. Offer agreement dated November 30, 2023 and the amendment to Offer Agreement dated August 22, 2024 between our Company, the Promoter Selling Shareholders and the BRLM;

2. Registrar agreement dated November 29, 2023 amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer;

3. Cash escrow and sponsor bank agreement dated August 21, 2024 amongst our Company, the Registrar to the Offer, the BRLM, Promoter Selling Shareholders, the Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and the Refund Bank(s);

4. Share escrow agreement dated August 21, 2024 entered into amongst the Promoter Selling Shareholders, our Company and a share escrow agent;

5. Syndicate agreement dated August 21, 2024 amongst our Company, Promoter Selling Shareholders, the BRLM, the Syndicate Member and the Registrar to the Offer;

6. Monitoring Agency Agreement dated August 22, 2024 entered into between our Company and the Monitoring Agency; and

7. Underwriting agreement dated [●] amongst our Company, Promoter Selling Shareholders and the Underwriters.

B. Material documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time;

2. Certificate of incorporation dated May 9, 1991;

3. Fresh certificate of incorporation dated September 26, 2016, pursuant to change of name of the Company from ‘Kross Manufacturers (India) Private Limited’ to ‘Kross Private Limited’;

4. Fresh certificate of incorporation dated January 17, 2017, pursuant to conversion from private limited company into public limited company;

5. Resolutions of the Board of Directors dated November 9, 2023, taking on record the approval for the Offer for Sale by the Promoter Selling Shareholders;

6. Resolution of the Board dated November 30, 2023 approving the Draft Red Herring Prospectus;

7. Resolution of the Board dated September 2, 2024 approving this Red Herring Prospectus;

8. Consents of the Promoter Selling Shareholders each dated November 8, 2023 in relation to the Offer;

9. Examination report dated August 20, 2024, of our Statutory Auditors on our Restated Financial Information and the statement of tax benefits dated August 20, 2024, included in this Red Herring Prospectus;

10. Copies of the annual reports of our Company for the Fiscal Years 2023, 2022 and 2021;

11. An agreement for sale cum memorandum of understanding dated October 28, 2017 executed between M/s MEW Suspensions Private Limited and our Company;

12. Industry report titled "*Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment"* dated August, 2024, prepared and issued by CRISIL, commissioned, and paid for by our Company for an agreed fee, exclusively for the purpose of this Offer which is available on the website of our Company at www.krosslimited.com from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date;

13. Consent letter dated August 20, 2024 issued by CRISIL with respect to the report titled "*Assessment of Market dynamics for select forged and machined components and assemblies in the commercial vehicle and tractor segment"* dated August, 2024;

14. Consents of the Directors, the BRLM, the Syndicate Member, the Legal Counsel to our Company, the Registrar to the Offer, the Escrow Collection Bank, Refund Banks, Sponsor Bank, Public Offer Account Bank, the Bankers to our Company, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;

15. Consent dated August 20, 2024 from M/s S.K. Naredi & Co. Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated August 20, 2024 relating to the Restated Financial Information as at and for the years ended March 31, 2024, 2023 and 2022; and (ii) the statement of tax benefits dated August 20, 2024;

16. Consent dated August 16, 2024 from the Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 an independent chartered engineer, in relation to the certificate dated August 16, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities;

17. Consent dated November 30, 2023 from Adarsh Kumar Agarwal, the practicing company secretary, to include his name as required under Section 26(5) of the Companies Act read with the SEBI ICDR Regulations, in this 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 a practicing company secretary, in relation to the certificate dated November 30, 2023, certifying, *inter alia*, the details of the share capital built up of our Company and our Promoters. Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

18. Certificate relating to key performance indicators dated September 2, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

19. Resolution of the Audit Committee dated September 2, 2024 approving our key performance indicators;

20. Certificate relating to weighted average cost of acquisition, acquisition of securities in the last three years, eighteen months and one year and average cost of acquisition dated September 2, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

21. Certificate relating to utilization of loans for the purposes for which loans were sanctioned dated September 2, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

22. Certificate in relation to the basis of estimation of working capital requirement and estimated working capital requirements dated August 22, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

23. Certificate relating to financial indebtedness of the Company dated August 22, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

24. Certificate relating to material creditors of the Company dated September 2, 2024 issued by M/s S.K. Naredi & Co., Chartered Accountants;

25. Search Report of filings with Registrar of Companies under the Companies Act, 2013, erstwhile Companies Act, 1956, and available records at Registrar of Companies dated November 30, 2023 issued by Adarsh Kumar Agarwal, practicing company secretary;

26. Certificate relating to capacity of manufacturing facilities and utilization of capacities dated August 16, 2024 issued by Shyam Sundar Bhartia, independent chartered engineer;

27. Tripartite agreement dated October 11, 2023 between our Company, NSDL and the Registrar to the Offer;

28. Tripartite agreement dated October 5, 2023 between our Company, CDSL and the Registrar to the Offer;

29. Due diligence certificate dated November 30, 2023 addressed to the SEBI from the BRLM;

30. In principle listing approvals each dated March 1, 2024 issued by BSE and NSE, respectively; and

31. Final observation letter bearing number SEBI/HO/CFD/RAC-DIL2/P/OW/2024/11823/1 dated March 22, 2024 issued by SEBI;

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sudhir Rai
Chairman and Managing Director
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Anita Rai
Whole time Director
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sumeet Rai
Whole time Director
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kunal Rai
Whole time Director (Finance) and CFO
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sanjiv Paul
Independent Director
Place: Gurugram
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mukesh Kumar Agarwal
Independent Director
Place: Meerut
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Deepa Verma
Independent Director
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Gurvinder Singh Ahuja
Independent Director
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Kunal Rai
Chief Financial Officer
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I, Sudhir Rai, a Promoter Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings, made or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Sudhir Rai
Place: Jamshedpur
Date: September 2, 2024

DECLARATION

I, Anita Rai, a Promoter Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings, made or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Anita Rai
Place: Jamshedpur
Date: September 2, 2024