(Please scan this QR code to view this RHP and the Abridged Prospectus)

HERO MOTORS LIMITED

Corporate Identity Number: U29299PB1998PLC039602

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India	Max Square Office Level, 7th Floor, Plot No. C3-C, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh – 201 304, India	Sakshi Dureja *Company Secretary and Compliance Officer*	**Email:** investorrelations@heromotors.com **Telephone:** + 91 120 4412 000	www.heromotors.com

THE PROMOTERS OF OUR COMPANY ARE PANKAJ MUNJAL, CHARU MUNJAL, ABHISHEK MUNJAL AND O P MUNJAL HOLDINGS

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Fresh issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹6,000.00 million	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹4,000.00 million	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 10,000.00 million	The Offer is being made in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 492. For details in relation to share reservation among QIBs, NIBs and RIBs, see "*Offer Structure*" on page 510.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER/ AMOUNT OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE) *
O P Munjal Holdings	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹3,950.00 million	0.03#
Hero Cycles Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 50.00 million	10.07

 # The weighted average cost of acquisition is ₹ 0.027 per Equity Share and has been rounded to ₹ 0.03.
** As certified by Ramesh C Agrawal & Co., Chartered Accountants by way of their certificate dated September 9, 2026.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the SEBI ICDR Regulations, as stated in "*Basis for Offer Price*" on page 126 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor 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 Bidders is invited to "*Risk Factors*" on page 21.

COMPANY'S AND 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 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. Each of the Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements expressly and specifically made by them in this Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholder or any other person(s).

LISTING

The Equity Shares that will be offered through this Red Herring Prospectus are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, BSE is the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. 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, see "*Material Contracts and Documents for Inspection*" on page 561.

BOOK RUNNING LEAD MANAGERS

Names and Logos of the Book Running Lead Managers	Contact Person	E-mail and Telephone
ICICI Securities Limited	Namrata Ravasia	**E-mail:** heromotors.ipo@icicisecurities.com **Tel:** +91 22 6807 7100
DAM Capital Advisors Limited	Puneet Agnihotri/ Chandresh Sharma	**E-mail:** hml.ipo@damcapital.in **Tel:** +91 22 4202 2500
JM Financial Limited	Prachee Dhuri	**E-mail:** heromotors.ipo@jmfl.com **Tel:** +91 22 6630 3030

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
KFin Technologies Limited	M. Murali Krishna	**E-mail:** heromotors.ipo@kfintech.com **Tel:** +91 40 6716 2222/18003094001

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON	**Tuesday, September 15, 2026**	**BID/ OFFER OPENS ON**	**Wednesday, September 16, 2026**	**BID/ OFFER CLOSES ON**	**Friday, September 18, 2026** *

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

RED HERRING PROSPECTUS
Dated: September 9, 2026
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

HERO MOTORS LIMITED

Our Company was incorporated in the name of 'Hero Briggs & Stratton Auto Private Limited' as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1998, issued by the Registrar of Companies, Delhi and Haryana. Thereafter, our Company became a deemed public company, and the name of our Company was changed to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998. Pursuant to the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956, our Company was again converted into a private limited company with effect from June 1, 2001, and the name of our Company was accordingly changed to 'Hero Briggs & Stratton Auto Private Limited'. Thereafter, pursuant to the termination of the joint venture agreement with Briggs & Stratton International Inc. (USA) in 2001, the name of our Company was changed to 'Hero Auto Private Limited' and a fresh certificate of incorporation dated April 10, 2003, was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to 'Hero Auto Limited' upon conversion to a public limited company on October 30, 2003, pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Delhi and Haryana. Further, pursuant to the fresh certificate of incorporation dated September 15, 2004, issued by the Registrar of Companies, Delhi and Haryana, the name of our Company was changed to 'Hero Motors Limited' to reflect the true nature of the Company's business, which is the name of our Company as on the date of this Red Herring Prospectus. For details of changes in the name and registered office address of our Company, see '*History and Certain Corporate Matters*' on page 301.

Registered Office: Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India

Corporate Office: Max Square, Office level, 7th floor Plot No. C3-C, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh, 201 304, India
Telephone: +91 120 4412 000.; **Contact person:** Sakshi Dureja, Company Secretary and Compliance Officer
E-mail: investorrelations@heromotors.com; **Website:** www.heromotors.com
Corporate Identity Number: U29299PB1998PLC039602

THE PROMOTERS OF OUR COMPANY ARE PANKAJ MUNJAL, CHARU MUNJAL, ABHISHEK MUNJAL AND O P MUNJAL HOLDINGS

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF HERO MOTORS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 10,000.00 MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹6,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,000.00 MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,950.00 MILLION BY O P MUNJAL HOLDINGS ("PROMOTER SELLING SHAREHOLDER") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹50.00 MILLION BY HERO CYCLES LIMITED (THE "PROMOTER GROUP SELLING SHAREHOLDER" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS"), AND SUCH OFFER FOR SALE, THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER". THE OFFER SHALL CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER AND LUDHIANA EDITION OF DAILY SURAJ, A PUNJABI DAILY NEWSPAPER (PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which 40% shall be available for allocation as follows: (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds, at or above the price at which allocation will be made to Anchor Investors ("**Anchor Investor Allocation Price**") in accordance with the SEBI ICDR Regulations. Any under-subscription in the portion amounting to 6.67% reserved for Life Insurance Companies and Pension Funds may be allocated to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds shall be reserved for Bidders with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category) and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, see "*Offer Procedure*" on page 513.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹10. The Floor Price, Cap Price and Offer Price (determined by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 126 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 21.

ISSUER'S AND THE 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 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s)

LISTING

The Equity Shares that will be 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 August 7, 2025. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents that will be available for inspection from the date of this Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 561.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** heromotors.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Namrata Ravasia **SEBI Registration No.:** INM000011179	**DAM Capital Advisors Limited** Altimus 2202, Level 22 Pandurang Budhkar Marg Worli, Mumbai 400018 Maharashtra, India **Tel:** +91 22 4202 2500 **E-mail:** hml.ipo@damcapital.in **Investor grievance e-mail:** complaint@damcapital.in **Website:** www.damcapital.in **Contact Person:** Puneet Agnihotri/ Chandresh Sharma **SEBI Registration No.:** MB/INM000011336	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** heromotors.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**KFin Technologies Limited** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai 400070 Maharashtra, India **Tel**: +91 40 6716 2222 **E-mail**: heromotors.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 PROGRAMME

BID/ OFFER OPENS ON	**Wednesday, September 16, 2026**
BID/ OFFER CLOSES ON	**Friday, September 18, 2026***

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

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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 meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.

The terms not defined herein but used in "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "History and Certain Corporate Matters", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure", and "Description of Equity Shares and Terms of the Articles of Association" on pages 114, 126, 136, 148, 293, 301, 347, 479, 513 and 534, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company"/ "the Company", "the Issuer"/ "HML"/ "Parent Company"	Hero Motors Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India.
"we"/ "us" / "our" / "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as at and during the relevant period/ Fiscal Year

Company Related Terms

Term	Description
"Articles of Association", "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in "*Our Management - Committees of the Board – Audit Committee*" on page 324
"Board" or "Board of Directors"	The board of directors of our Company, as described in "*Our Management*" beginning on page 315
"Chief Executive Officer"/ "CEO"	Amit Gupta, the managing director and chief executive officer of our Company
"Chief Financial Officer"/ "CFO"	Utkarsh Sanghi, the chief financial officer of our Company
"Compulsorily Convertible Preference Shares"/ "CCPS"	Fully and compulsorily convertible preference shares of face value of ₹ 10 each of our Company which are not outstanding as on the date of this Red Herring Prospectus.
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Sakshi Dureja, Company Secretary and Compliance Officer of our Company
Corporate Office	Max Square, Office level, 7th Floor Plot No. C3-C, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh 201 304, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board – Corporate Social Responsibility Committee*" on page 331
Director(s)	The directors on our Board. For details see, *"Our Management*" beginning on page 315
ESOP 2022	Hero Motors Employees Stock Option Plan 2022
ESOP Plan 1.0	ESOP plan under ESOP 2022
ESOP Plan 2.0	ESOP plan under ESOP 2022
Equity Shares	Equity shares of face value of ₹ 10 each of our Company
Executive Director(s)	Executive director(s) of our Company. For further details of our Executive Directors, see "*Our Management*" beginning on page 315
Group Companies	The companies identified as 'group companies' in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations including the Materiality Policy. For details, see "*Our Group Companies*" beginning on page 342
"HEL" or "Hewland"	Hewland Engineering Limited
Hero EDU	Hero EDU Systems Private Limited

Term	Description
Hero SHA Amendment Agreement	The third amendment agreement dated June 30, 2025 to the Shareholders' Agreement dated December 7, 2022, executed between our Company**,** Hero Cycles Limited, South Asia Growth Invest LLC, South Asia EBT Trust, Pankaj Munjal, Charu Munjal, Aditya Munjal, Abhishek Munjal, Bhagyoday Investments Private Limited, Om Prakash Pankaj Munjal AOP, O P Munjal Holdings and Munjal Sales Corporation.
"Hero Thai" or "HMTL"	Hero Motors Thai Limited
HMC	Hero Motors Company
HYM	HYM Drive Systems Private Limited
Independent Directors	The independent directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "*Our Management*" beginning on page 315
Individual Promoters	Pankaj Munjal, Charu Munjal and Abhishek Munjal
"Key Managerial Personnel" or "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management"* beginning on page 315
Materiality Policy	Policy for the identification of (i) companies to be disclosed as group companies; (ii) material outstanding civil litigation proceeding involving our Company, our Subsidiaries, our Promoters and our Directors; and (iii) material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board pursuant to its resolution dated August 29, 2026
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
MSIPL	Munjal STP Industries Private Limited
"Nomination and Remuneration Committee" or "NRC Committee"	The nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board - Nomination and Remuneration Committee*" on page 327
Nominee Director	The nominee director of our Board. For further details of our nominee director, see "*Our Management*" on page 315
Non-Executive Director(s)	Non-executive director(s) of our Company. For further details of our Non-Executive Directors, see "*Our Management*" on page 315
Non- Independent Director(s)	Non-independent director(s) of our Company. For further details of our Non-Independent Directors, see "*Our Management*" on page 315
Promoters	Pankaj Munjal, Charu Munjal, Abhishek Munjal and O P Munjal Holdings
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoters and Promoter Group*" on page 336
Registered Office	Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Chandigarh
Registrar of Companies, Delhi and Haryana	The Registrar of Companies, Delhi and Haryana at New Delhi (erstwhile, Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi)
Restated Consolidated Financial Information	Restated consolidated financial information of our Company and our Subsidiaries as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 comprising the restated consolidated statement of assets and liabilities as at the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated statements of cash flows, for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the summary statement of material accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India ("ICAI"), as amended.
Risk Management Committee	The risk management committee as described in "*Our Management- Committees of the Board – Risk Management Committee*" on page 330
"Senior Management Personnel" or "SMP"	The senior management personnel of our Company in terms of Regulation 2(1) (bbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management"* beginning on page 315
"SHA" or "Shareholders' Agreement"	Shareholders' Agreement dated December 7, 2022 executed between our Company**,** Hero Cycles Limited, South Asia Growth Invest LLC, South Asia EBT Trust, Pankaj Munjal, Charu Munjal, Aditya Munjal, Abhishek Munjal, Bhagyoday Investments Private Limited, Om Prakash Pankaj Munjal AOP, O P Munjal Holdings and Munjal Sales Corporation, as amended by the amendment agreement dated December 28, 2022, the second amendment agreement dated September 22, 2023 and the third amendment agreement dated June 30, 2025.
Shareholder(s)	The Shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee as described in "*Our Management - Committees of the Board – Stakeholders' Relationship Committee*" on page 329

Term	Description
"Statutory Auditors" or "Auditors"	Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of our Company
STP Group	Vermogensverwaltung Plettenberg GmbH and CO KG along with its group companies
"STPL" or "Spur"	Spur Technologies Private Limited
"Subsidiary" or "our Subsidiary" or "Subsidiaries"	The subsidiaries of our Company namely, HEL, Hero Edu, Hero Thai, HYM, STPL and MSIPL as disclosed in "*History and Certain Corporate Matters – Our Subsidiaries*" on page 306
Whole-time Director	A whole-time director of our Company. For details, see "*Our Management*" on page 315
2022 Scheme of Arrangement	Scheme of arrangement between Hero Cycles Limited, our Company and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Chandigarh bench vide its order November 4, 2022. For details, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 305

Offer Related Terms

Term	Description
Abridged Prospectus	The memorandum dated September 9, 2026 containing such salient features of Red Herring Prospectus as may be specified by SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offered Shares pursuant to the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	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 Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the 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 Book Running Lead Managers, in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations, out of which 40% shall be available for allocation as follows: (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds, at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. Any under-subscription in the portion amounting to 6.67% reserved for Life Insurance Companies and Pension Funds may be allocated to domestic Mutual Funds
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders using the UPI Mechanism to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism

Term	Description
"ASBA Bidders" or "ASBA Bidder"	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Banks, as the case maybe
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For further details, see "*Offer Procedure*" on page 513
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 Bid/ Offer Period 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 and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid. However, RIBs can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such RIBs mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana edition of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation. In case of any revision, the revised Bid/ Offer Closing Date shall be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date will be published
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 Wednesday, September 16, 2026 which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding ten Working Days
"Bidder" or "Applicant"	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, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, I-Sec, DAM Capital and JM Financial
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period

Term	Description
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement dated September 9, 2026 entered into between and amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI ICDR Master Circular and UPI Circulars issued by SEBI, as per the list available on the respective websites of BSE and NSE (www.bseindia.com and www.nseindia.com), as updated from time to time
Crisil Intelligence	Crisil Intelligence, a division of CRISIL Limited
"CRISIL Report" or "Industry Report"	The report titled "*Industry Assessment - Powertrain Solutions and Alloys & Metallics Components*" dated August, 2026 prepared and issued by Crisil Intelligence which has been commissioned by and paid for by our Company exclusively for the purposes of the Offer, pursuant to engagement letter dated December 20, 2024 read with engagement letter dated July 16, 2026. The CRISIL Report shall be available on the website of our company at https://www.heromotors.com/investorrelationship
Cut-off Price	The Offer Price finalised by our Company, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only RIBs in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
DAM Capital	DAM Capital Advisors Limited
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Banks for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of this Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	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 HNIs bidding with an application size of ₹ 0.50 million (not using 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 Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, 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
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	BSE Limited
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated June 30, 2025, read with (i) corrigendum to the DRHP dated July 29, 2026; (ii) addendum to the DRHP dated August 28, 2026; and (iii) corrigendum to the addendum dated September 4, 2026, issued in accordance with the SEBI ICDR Regulations, which

Term	Description
	does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI(s)	FPI(s) 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 subscribe to or purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA NDI Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank, which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) has been opened, in this case being, ICICI Bank Limited
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A fraudulent borrower as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 6,000 million by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
"Independent Chartered Accountant" or "ICA"	Ramesh C Agrawal & Co., Chartered Accountants
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Limited
Life Insurance Companies	An entity registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938.
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated September 3, 2026 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares 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	Gross Proceeds less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" on page 114.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs or RIBs and 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 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 Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; (b) 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 sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA NDI Rules.

Term	Description
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹10,000.00 million comprising the Fresh Issue and the Offer for Sale.
Offer Agreement	The offer agreement dated June 30, 2025 read with amendment to offer agreement dated August 30, 2026 entered into amongst our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	Offer for sale of up to [●] Equity Shares aggregating up to ₹4,000.00 million by the Selling Shareholders.
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of this Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and 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 (net of their proportion of Offer-related expenses and the relevant taxes thereon) which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 114.
Offered Shares	Up to [●] Equity Shares aggregating up to ₹4,000.00 million offered by the Selling Shareholders in the Offer for Sale.
Pension Funds	A pension fund with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the Book Running Lead Managers and will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana editions of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the Book Running Lead Managers, will finalise the Offer Price.
Promoter Group Selling Shareholder	Hero Cycles Limited.
Promoter Selling Shareholder	O P Munjal Holdings
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price 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	The 'no-lien' and 'non-interest bearing' account which has been opened, in accordance with Section 40(3) of the Companies Act, 2013 with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date.
Public Offer Account Bank	Bank which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts has been opened, in this case being Axis Bank Limited.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of not more than [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	This red herring prospectus dated September 9, 2026 issued by our Company 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 offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/ Offer Opening Date shall be at least three Working Days after the filing of this Red Herring Prospectus with the RoC and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made

Term	Description
Refund Bank	The Banker to the Offer which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) has been opened and in this case being, ICICI Bank Limited.
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026, as amended with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of circular no. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI and the UPI Circulars
Registrar Agreement	The registrar agreement dated June 30, 2025 read with amendment to the registrar agreement dated August 30, 2026 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or "RII(s)" or "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
Retail Portion	The portion of the Offer being not less than 35% of the Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI ICDR Master Circular, as per the list available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com, as updated from time to time
SCORES	SEBI Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, 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 and the SEBI ICDR Master Circular. The list is 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
Selling Shareholders	Collectively, the Promoter Selling Shareholder and Promoter Group Selling Shareholder
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Limited
Share Escrow Agreement	The share escrow agreement dated September 3, 2026, entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time

Term	Description
Sponsor Banks	Axis Bank Limited and ICICI Bank Limited being Bankers to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement dated September 9, 2026 entered into amongst our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediary (other than the Book Running Lead Managers) registered with SEBI who is permitted to carry out activities as an underwriter, namely Sharekhan Limited and JM Financial Services Limited.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "members of the Syndicate"	Together, collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into amongst our Company, the Selling Shareholders, and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism, developed by the NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI RTA Master Circular(to the extent that such circular pertains to the UPI mechanism)and SEBI circular no. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular and the SEBI ICDR Master Circular, to the extent applicable)along with the circular issued by NSE having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular, to the extent applicable), SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard,
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	A password to authenticate a UPI transaction
Wilful Defaulter	A wilful defaulter as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai, Maharashtra are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra India are open for business and the time period between the Bid/ Offer Closing Date and 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 in India in accordance with circulars issued by SEBI

Key performance indicators

A. GAAP Financial Measures

Following are the GAAP financial measures identified in "*Basis for Offer Price*" beginning on page 126.

Term	Description
Basic EPS	Represent Basic Earnings Per Share (EPS) is a financial metric that indicates how much profit a company generates for each outstanding share
Diluted EPS	Diluted Earnings Per Share (EPS) is a financial metric that shows a company's profitability per share, considering potential dilution from securities like Compulsory Convertible preference share and Vested employee stock option plans that could increase the number of outstanding shares
Revenue from operations (₹ in million)	This is a direct measure of how well the company is performing in terms of its core business activities
Restated profit after tax (₹ in million)	We believe that tracking our profit from continuing operations after tax for the year enables us to monitor the overall results of operations and financial performance of our Company.

B. Non- GAAP Financial Measures

Following are the non-GAAP financial measures identified in "*Basis for Offer Price*" beginning on page 126.

Term	Description
"RoNW" or "Return on Net Worth"	It measures a company's profitability by showing how much profit a company generates with the money that equity shareholders have invested. It is calculated by dividing net income by shareholder equity
Net Assets Value	Represents the per-share value of a fund's or company's assets after deducting liabilities
Revenue from operations growth (%)	This is a direct measure of how well the company is performing in terms of its core business activities
Gross Profit (₹ in million)	The difference between the revenue generated from the sale of goods and the cost of goods sold.
Gross Margin (%)	Gross margin expressed as a percentage of total revenue, indicating the efficiency of managing material costs relative to sales.
EBITDA (₹ in million)	This measure is used to measure the operational profitability of the business and serves as a performance indicator of our company.
EBITDA Margin (%)	It indicates the percentage of revenue from operations that translates into EBITDA.
Adjusted EBITDA (₹ in million)	This measure is used to measure the operational profitability of the business and serves as a performance indicator for valuation.
Adjusted EBITDA Margin (%)	This is a direct measure of how well the company is performing in terms of its core business activities.
PAT Margin (%)	Profit after tax expressed as a percentage of total revenue, indicating the percentage of revenue from operations that translates into net profit.
Return on Capital Employed (%)	Return on Capital Employed measures a company's profitability and the efficiency with which it utilizes its capital to generate profits.
Return on Equity (%)	Return on equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested
Net Debt to EBITDA (in times)	This is a performance indicator as lenders and investors use this ratio to assess a company's creditworthiness and financial stability.
Fixed Asset Turnover Ratio	As the fixed assets constitute a significant part of the overall balance sheet it is important to track how effectively the company uses its fixed assets to generate sales.
Asset Turnover Ratio	As the total assets constitute a significant part of the overall balance sheet it is important to track how effectively the company uses its fixed assets to generate sales.
Receivable days	Given the nature of business there are receivables with the key customers and therefore it is important metric driving operational excellence and financial health of the business
Inventory days	Given the nature of business Company needs to keep inventory in raw material and finished goods basis the forecast / business plan and therefore it is important metric driving operational excellence and financial health of the business
Trade payable days	Given the nature of business there are payable to our supplier basis the agreed payment term and therefore it is important metric driving operational excellence and financial health of the business

C. Non- Financial Operational Measures

Following are the non- financial operational measures identified in "*Basis for Offer Price*" and "*Our Business*" beginning on pages 126 and 253, respectively.

Term	Description
Revenue from Powertrain segment	This is a direct measure of how well the company is performing in terms of its one of focused business activities

Term	Description
Revenue from Alloy & Mettalics segment	This is a direct measure of how well the company is performing in terms of its one of focused business activities
Revenue from operations from international customers	This is a direct measure of how well the company is performing in terms of its core business activities at International Locations
Revenue from operations from Domestic Customers	This is a direct measure of how well the company is performing in terms of its core business activities at Domestic Locations
Research & Development expenses	Represents the Investment made by company for its research and development on new product developments

Technical, Industry related Terms or Abbreviations

Term	Description
2D	Two Dimensional Drawings
3D	Three Dimensional Drawings
2W	Two Wheelers
3W	Three Wheelers
A&M	Our Alloy and Metallics business segment, where we are engaged in providing alloy metal, sheet metal and tubular assemblies and component solutions, primarily to automotive OEMs
ATV	All-Terrain Vehicles
Adjusted EBITDA	Adjusted EBITDA is calculated as restated profit for the year plus total tax expense plus exceptional items plus share based payment expenses plus finance costs plus depreciation and amortization
Adjusted EBITDA Margin	Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue from operations.
Asset Turnover Ratio	Asset turnover ratio is calculated as total revenue from operations divided by total assets
BPT	Bike Powertrain
B&S	B&S LLC
BMW	BMW-AG
CAN	Controller Area Network
Cash Conversion Cycle	Cash conversion cycle is calculated as trade receivable days plus inventory days less trade payable days
CESTAT	Customs Excise and Service Tax Appellate Tribunal
CVP or CVT	Continuously Variable Planetary Transmission or Continuously Variable Transmission
DCT	Dual Clutch Transmission
Ducati	Ducati Motor Holdings S.P.A
E-Bike	Electric bicycle
EBIT	Earnings before interest and tax
EBITDA	EBITDA is calculated as restated profit after tax for the year plus finance costs, depreciation and amortization expense plus tax expense
EBITDA Margin	EBITDA Margin is calculated as EBITDA divided by revenue from operations
EDU	Electric Drive Unit
E-transmission	Transmission used in electric powertrain
enviolo	Enviolo International Inc
EPR	Extended Producer Responsibility
Escorts	Escorts Kubota Limited
EV	Electric Vehicles
eVTOL	Electric vertical take-off and landing
Fixed Asset Turnover Ratio	Fixed Asset Turnover Ratio is calculated as total revenue from operation divided by (property plant and equipment plus other intangible assets plus capital work in progress plus intangible assets under development)
Formula Motorsport	Formula Motorsport Ltd
G&T	Gears and Transmission
Gross Margin	Gross margin is calculated as Gross Profit divided by revenue from operations

Term	Description
Gross Profit	Gross Profit is calculated as revenue from operations minus cost of raw materials consumed minus purchases of stock-in-trade minus changes in inventories of finished goods, work in progress, stock in trade.
Hero MotoCorp	Hero MotoCorp Limited
HMIs	Human Machine Interfaces
Hummingbird EV	HUMMINGBIRDEV Inc.
HWA	HWA AG
ICE	Internal combustion engine
Inventory Days	Inventory days is inventory as at the end of the period / revenue from operations * 365
Make-to-Print	Make-to-print refers to manufacturers who solely manufacture components based on provided design specifications, ensuring consistency and adherence to design requirements
Micro-mobility sector	Small, lightweight vehicles like e-scooters, bicycles, and e-bikes used for short-distance travel in urban areas
NVH	Noise, vibration and harshness requirements of electric vehicles
Net Debt to EBITDA	Net debt to EBITDA is calculated as net debt divided by EBITDA. Net debt is calculated as Non-current borrowing plus current borrowing less cash and bank balances
OEM	Original Equipment Manufacturers
OTS	OTS refers to off the shelf, i.e., components that are ready-made and are available for sale to general public
OTOP	OTOP refers to out of tool, out of process, i.e., near final component sent to approval of the customers.
PAT Margin	PAT Margin is calculated as restated profit for the year divided by revenue from operations
Powertrain Solutions	Our Powertrain Solutions business segment. Powertrain are systems designed to propel a vehicle forward and consists of the engine and its internal components, such as the energy storage system, transmission and driveshaft
PPAP	PPAP refers to production part approval process, i.e., refers to a standardized process where it is demonstrated that the supplier has met all the requirements of the customer according to their standards.
Premium / Performance ICE segment	Vehicles known for their luxury features or strong performance, sometimes both. These vehicles are designed to offer a satisfying driving experience, featuring powerful engines, advanced technology, quality construction, and comfortable user experience. Generally, motorcycles with engine sizes over 600cc and cars with engine sizes above 2 liters fall into this category
PLI	Production Linked Incentive Scheme
PV	Passenger Vehicles
Receivable Days	Receivable days is trade receivables at the end of the period/ revenue from operations * 365
Return on Capital Employed	Return on capital employed is calculated as Adjusted EBITDA divided by average capital employed. Capital employed is calculated as equity share capital plus other equity plus non-controlling interest plus long-term borrowings plus short-term borrowings less cash and cash balances less current investments which includes include investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss. Average capital employed is calculated as opening capital employed plus closing capital employed divided by two
Return on Equity	Return on Equity is calculated as restated profit for the year divided by total equity.
RfQ	Request for quotation by our customers for our products
SOP	SOP refers to start of commercial production of the particular component
TACO Punchpowertrain	Taco Punch Powertrain Private Limited
TDS	Technical Design Specification at the time of developing products
Trade Payable Days	Trade Payable Days is trade payables at the end of the period / revenue from operations * 365
UART	Universal Asynchronous Receiver/Transmitter
Yamaha	Yamaha Motors Co. Ltd, Japan

Conventional and General Terms or Abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees, the official currency of the Republic of India
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations

Term	Description
AGM	Annual general meeting
AOP	Association of Persons
B.com	Bachelor of commerce
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as amended, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL, collectively
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
"FEMA Non-debt Instruments Rules" or "FEMA NDI Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
"Financial Year", "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India

Term	Description
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Ind AS 24	Indian Accounting Standard 24- Related Party Disclosures
Ind AS 34	Indian Accounting Standard 34 – Interim Financial reporting
Ind AS 37	Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and Companies (Accounting Standards) Amendment Rules, 2016, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income-tax Act, 2025, as amended
KPI	Key Performance Indicators
KYC	Know your customer
MCA	Ministry of Corporate Affairs, GoI
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended or the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, as applicable
N.A.	Not applicable
NACH	National Automated Clearing House
"NAV" or "Net Asset Value"	Net asset value per share represents net assets divided by total number of shares at the end of the year. Net assets is total assets minus current liability minus non-current liability minus capital reserve minus foreign currency translation reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year plus weighted average number of potential equity shares on account of compulsory convertible preference shares / share pending issue.
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
"RoNW" or "Return on Net Worth"	Restated profit attributable to equity holders of the parent divided by total equity attributable to equity holders of the parent.
RTGS	Real Time Gross Settlement

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI FPI Master Circular	The SEBI master circular no. SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FUTP Regulations	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
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 Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 2026
SEBI ICDR Master Circular	SEBI master circular bearing reference number HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026
SEBI RTA Master Circular	The SEBI master circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax deduction account number
"Thai Baht" or "฿"	Thai Baht, the official currency of Kingdom of Thailand
"U.S.A.", "U.S.", "US" or "United States of America"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
"USD" or "US$"	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Red Herring Prospectus 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:

"U.S.", "US", "U.S.A." or "United States" are to the United States of America and its territories and possessions.

"U.K" or "United Kingdom' is to the United Kingdom and its territories and possessions.

"Thailand" or "the Kingdom of Thailand" refers to Thailand and its territories and possessions.

In this Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year unless mentioned as financial year or Fiscal; and
- all references to page numbers are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 347.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal 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 particular calendar year.

Unless the context requires otherwise, the financial information in this Red Herring Prospectus is derived from the restated consolidated financial information of our Company and our Subsidiaries as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 comprising the restated consolidated statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated statements of cash flows, each for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the summary statement of material accounting policies and other explanatory information, and restated as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India ("ICAI"), as amended. For further information, see "*Summary of Financial Information*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 66, 347 and 446 respectively.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. 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 financial data. 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, Ind AS 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. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider them material to their assessment of our financial condition*." on page 55.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Gross Profit, Gross Profit Margin, EBIT, EBITDA, EBITDA Margin, Asset Turnover Ratio, Fixed Asset Turnover Ratio, Adjusted EBITDA, Adjusted EBITDA Margin, ROCE, Net Asset Value, Net Worth, Return on Net-worth, Net Asset Value per share ("**Non-GAAP Measures**"), presented in this Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, 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 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, the 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 management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate an entity'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;
- "USD" or "US$" are to United States Dollar, the official currency of the United States.
- "Pound" or "GBP" or "£" are to British Pound Sterling, the official currency of the United Kingdom.
- "Euro" or "€" are to Euro, the official currency of certain member states of the European Union;
- "Thai Baht" or "THB" or "฿" are to Thai Baht, the official currency of Kingdom of Thailand

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Red Herring Prospectus in such denominations as provided in the respective sources.

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 per share and percentage figures have been rounded off to one/ two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places 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 other foreign currencies:

(Amount in ₹, unless otherwise specified)

Currency	Exchange rate as at		
	March 31, 2026	March 31, 2025	March 31, 2024
1 USD	94.84	85.48	83.41
1 Euro	109.00	92.09	89.88
1 GBP	125.51	110.70	105.03
1 THB	2.89	2.52	2.29

Source: www.rbi.org.in, www.fbil.org.in and www.oanda.com
Note: The exchange rates are rounded off to two decimal places and in case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the CRISIL Report, and publicly available information as well as other industry publications and sources.

Crisil Intelligence is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or Senior Management Personnel or the Book Running Lead Managers. The CRISIL Report has been exclusively commissioned by our Company pursuant to an engagement letter dated December 20, 2024 read with engagement letter dated July 16, 2026 with CRISIL Limited, for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer. The CRISIL Report is available on the website of our Company at https://www.heromotors.com/investorrelationship from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

"About Crisil Intelligence

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

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

Excerpts of the CRISIL Report, are disclosed in this Red Herring Prospectus and there are no parts, information or data from the CRISIL Report, which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being 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.

Accordingly, 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Certain sections of this Red Herring Prospectus disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 53. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 126 includes information relating to our peer group. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". All statements in this Red Herring Prospectus that are not statements of historical fact 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", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India and other geographies in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and other geographies where we operate which have an impact on our business activities or investments, the monetary and fiscal policies of India and other geographies in which we operate, 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 and relevant international laws, regulations and taxes and changes in competition in the industry in which we operate.

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

1. We generate a portion of our revenue from operations from jurisdictions outside India, in particular, from Europe which contributed 33.59%, 28.45% and 29.33% of our revenue from operations, in the Fiscals 2026, 2025 and 2024, respectively. Any adverse events affecting these jurisdictions could have an adverse impact on our revenue from operations.

2. Our business is dependent on the performance of certain industries particularly e-bikes and two wheelers, both in the Indian and overseas markets. Any adverse changes in the conditions affecting these industries can adversely impact our business, results of operations, cash flows and financial condition.

3. We depend on a certain limited set of suppliers for the supply of critical raw materials. Further, we do not have definitive supply agreements with all our suppliers for the supply of raw materials. Interruptions in the supply of raw materials could adversely affect our business, financial condition, results of operations and cash flows.

4. We are subject to strict performance requirements, including, but not limited to, quality and delivery, by our customers, and any failure by us to comply with these performance requirements may lead to recalls or warranty liability claims, reduction of share of business or the cancellation of existing or future orders, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

5. Our business largely depends upon our top 10 customers. In the Fiscals 2026, 2025 and 2024 our revenue from operations from top 10 customers was ₹ 8,661.40 million, ₹ 8,501.96 million and ₹ 8,191.86 million, representing 72.89%, 78.03%, and 76.96% of our revenue from operations, respectively. The loss of any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

6. We may not be able to anticipate and respond swiftly to changing technological and market trends, as well as to develop new products aligned with customer demands in the automotive sector, which could have an adverse impact on our financial condition.

7. We may not be able to compete effectively in the global powertrain solutions industry which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

8. Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.

9. Our inability to maintain and protect our brand and business reputation could adversely affect our business, prospects and financial performance.

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

For discussion regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"

on pages 21, 148, 253, and 446, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, KMPs, the Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings made by our Company and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and the Book Running Lead Managers are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themself as a Selling Shareholder and their respective portion of the Offered Shares in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Potential investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares pursuant to the Offer.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may arise or may become material in the future and may also adversely affect our business, results of operations, financial condition and cash flows. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, financial condition and cash flows could be adversely affected, the price of our Equity Shares and the value of your investments in our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 148, 253, 347 and 446, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.

In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Unless otherwise stated, or the context otherwise requires, any reference to "the Company" or "our Company" refers to our Company on a standalone basis, and a reference to "we", "us" or "our" refers to our Company together with our Subsidiaries, on a consolidated basis.

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 "Forward-Looking Statements" on page 19.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 347.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry assessment – Powertrain Solutions and Alloys & Metallics Components" dated August, 2026 (the "**CRISIL Report**"), exclusively prepared and issued by CRISIL Intelligence, who were appointed by our Company pursuant to an engagement letter dated December 20, 2024, read with engagement letter dated July 16, 2026 and the CRISIL Report has been exclusively commissioned by and paid for by our Company. The CRISIL Report is available at the website of our Company at https://www.heromotors.com/investorrelationship. Unless otherwise indicated, financial, operational, industry and other related information has been derived from the CRISIL Report and such information included herein with respect to any particular year refers to such information for the relevant calendar year. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also see, "Certain Conventions, Presentation of Financial– Industry and Market Data" on page 16 for additional details regarding the industry and market data used in this Red Herring Prospectus.*

Internal Risk Factors

1. We generate a portion of our revenue from operations from jurisdictions outside India, in particular, from Europe which contributed 33.59%, 28.45% and 29.33%, of our revenue from operations, in Fiscal 2026, 2025 and 2024, respectively. Any adverse events affecting these jurisdictions could have an adverse impact on our revenue from operations.

We generated a portion of our revenue from operations from outside India, and in particular, from Europe. The following table sets forth our revenue from operations from various jurisdictions in the years indicated:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
India	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%
Europe[(1)]	3,992.19	33.59%	3,099.96	28.45%	3,121.67	29.33%
United States	458.79	3.86%	852.60	7.82%	819.78	7.70%
Others[(2)]	464.29	3.91%	508.46	4.67%	452.56	4.25%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

(1) Europe includes United Kingdom.

(2) Others primarily include Thailand, Singapore, Australia, Japan, New Zealand, and Hong Kong.

An economic slowdown in these geographies/countries or tightening of laws or regulations, particularly in Europe due to natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, and civil unrest may have a significant adverse impact on our business, financial condition, cash flows and results of operations. Also see *"Risk Factor - Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could adversely affect our business*" on page 56.

Selling products in international markets and maintaining and expanding international operations require significant coordination, capital, resources, and compliances with legal and regulatory regimes that we may not be familiar with.

To the extent that we are unable to effectively manage our global operations and risks, as we implement our strategy to enter into new markets where we do not have local knowledge and resources, we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. While there have been no such instances where we had to face any unanticipated costs or any legal or regulatory actions on account of our exports in the last three Fiscals, we cannot assure you that such instances will not arise in the future. As a consequence, our business, financial condition, results of operations and prospects may be adversely affected.

2. ***Our business is dependent on the performance of certain industries particularly e-bikes and two wheelers, both in the Indian and overseas markets. Any adverse changes in the conditions affecting these industries can adversely impact our business, results of operations, cash flows and financial condition.***

In the powertrain sector, we primarily cater to domestic and global original equipment manufacturers which manufacture two wheelers, e-bikes and motorsport and performance automotive. Accordingly, we are exposed to fluctuations in the performance of these industries. Our sales are directly dependent on the production levels of these industries domestically and globally, and are affected by inventory levels of manufacturers operating in these industries. The table below sets out the revenue from sale of products generated from various end-use industries and as a percentage of our revenue operations in the years indicated:

End-Use category	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Sale of Products (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Sale of Products (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Sale of Products (₹ million)	Percentage of Revenue from Operations (%)
E-Bikes	1,535.71	12.92%	870.85	7.99%	1,037.41	9.75%
Motorsport and Performance Automotive	2,536.93	21.35%	2,835.98	26.03%	2,928.98	27.52%
Two Wheelers[*]	4,871.65	41.00%	4,618.00	42.38%	4,404.35	41.37%
Others[**]	2,939.22	24.73%	2,571.10	23.60%	2,273.12	21.36%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

[*] Two wheelers other than Motorsport and Performance Automotive.

[**] Others primarily include other automotive components and aerospace.

Further, production and sales of the two wheelers, e-bikes and motorsport and performance automotive 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, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in these industries' supply chain, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions. For example, we experienced a decrease in our revenues generated from e-bikes category in Fiscal 2024, which we believe was primarily on account of slowdown in the e-bike market.

If there is a decrease in the demand in the industries we currently supply to, or if there is uncertainty and other unexpected fluctuations or changes in regulations, customs, taxes or other barriers or restrictions adversely affecting the market, particularly the vehicle industry, our business, results of operations, financial condition and cash flows could be adversely affected.

3. ***We depend on a certain limited set of suppliers for the supply of critical raw materials. Further, we do not have definitive supply agreements with all our suppliers for the supply of raw materials. Interruptions in the supply of raw materials could adversely affect our business, financial condition, results of operations and cash flows.***

We do not enter into definite-term agreements with all our suppliers who typically supply us through purchase orders as entering into purchase orders allows us to customize specifications of our raw materials and maintain cost and quality of such raw materials. Our suppliers may not perform their obligations in a timely manner or at all, resulting in delays to our production schedule and adversely affecting our output. Relying on a certain limited set of suppliers for critical raw materials also exposes us to the risk of production disruption as any capacity constraints or supplier issues could adversely impact our manufacturing operations. While there has been no instance where any of our suppliers did not perform their obligations in a timely manner in the last three Fiscals which resulted in delays to our production schedule or have had an adverse impact on our financials or business operations, we cannot assure that no instance will arise in the future where delay in supply of raw materials nor non-performance of obligations would not have an adverse impact on our results of operations, cash flows, financial condition or business.

The table below provides the number of our suppliers as of the dates indicated:

Particulars	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024
Number of suppliers of raw materials	471	464	431

Note: Number of suppliers include all the suppliers from whom we have made purchases in the relevant Fiscal.

The table below provides our cost of raw materials consumed as a percentage of our total expenses and revenue from operations in the years indicated:

Fiscal 2026			Fiscal 2025			Fiscal 2024		
Cost of raw materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Cost of raw materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Cost of raw materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)
6,535.02	54.99%	56.64%	6,304.43	57.86%	58.80%	6,404.49	60.17%	60.47%

The table below provides the cost of raw materials consumed sourced from our top one, top five and top 10 suppliers in the years indicated:

Supplier	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)
Top Supplier*	365.80	3.17%	324.44	3.03%	296.10	2.80%
Top 5 Suppliers*	1,410.63	12.23%	1,403.56	13.09%	1,393.24	13.15%
Top 10 Suppliers*	2,405.32	20.85%	2,339.32	21.82%	2,278.95	21.52%

* *Suppliers may vary for each Fiscal. Our top 10 suppliers/vendors did not contribute to more than 50% of the total cost of raw materials consumed for Fiscal 2026, 2025 and 2024 on a consolidated basis.*

While we carry out vendor audit assessment as a part of our vendor evaluation process before onboarding a particular supplier for the supply of critical raw materials for our operations, however, we cannot assure you that the raw materials that we procure from our suppliers will conform with our quality or performance standards. Further, depending on supplier reliability for quality and timely delivery poses the risk of shortages or delays which may lead to supply chain disruptions thereby impacting our relationship with our customers. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards. While there has been no instance where our suppliers were unable to supply us desired quantities of the specific raw materials or any instance where we could not find a replacement for any particular supplier in the last three Fiscals, we cannot assure you that such instances will not arise in future. In the event if any of our supplier shows its inability to provide us the specific quantity of raw materials and even if we may be able to procure such raw materials from other suppliers, there is no guarantee that we will be able to do so at the same price or within our delivery timelines, which may have an impact on our ability to procure an uninterrupted supply of raw material critical for our operations, which in turn may affect our profit margins and financial performance.

4. ***We are subject to strict performance requirements, including, but not limited to, quality and delivery, by our customers, and any failure by us to comply with these performance requirements may lead to recalls or warranty liability claims, reduction of share of business or the cancellation of existing or future orders, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We are engaged in the manufacturing and supply of vast range of electrified as well as non-electrified powertrains and alloys and metallics components. These products are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. 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,

which may lead to us incurring costs for repairing or replacing defective products or towards any penalty which may be imposed on us as well as conducting product recalls and paying warranty and liability claims or the customer offsetting any such amounts from payments due to us from such customer and/or cancellation of existing and future orders and/ or, 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. In addition, we may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. Further, the supply of defective products may result in return of such products or rescission of the supply contract by our customers, or may jeopardise our business relationship with our customers, and/or our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations.

Although we have obtained comprehensive general liability insurance we may not be covered for all situations that may arise with regard to any defects in our products. For instance, one of our customers had undertaken a product recall in Fiscal 2026, claiming delivery of a faulty product by our Company in the opinion of the customer. While we have engaged in discussions with the customer and clarified that the supplied product has been manufactured, in accordance with the instructions of the customer, we cannot assure you that we will not be able to subject to any further claims from the customer. While there have been no other instances where we were subject to any product liability claims in the last three Fiscals, we cannot guarantee that we can continue to comply with all regulatory requirements or the quality standards required by our customers and there can be no assurance that no product liability claims will arise in the future.

5. ***Our business largely depends upon our top 10 customers. In Fiscals 2026, 2025 and 2024 our revenue from operations from top 10 customers was ₹ 8,661.40 million, ₹ 8,501.96 million and ₹ 8,191.86 million, representing 72.89%, 78.03% and 76.96% of our revenue from operations, respectively. The loss of any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We derive a significant portion of our revenue from operations from our top 10 customers. Loss of all or a substantial portion of sales to any of our top 10 customers, for any reason (including, due to loss of contracts or failure to negotiate or renew contracts with acceptable terms, loss of market share of these customers in their industries, disputes with these customers, adverse change in the financial condition of these customers, decline in their sales, 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. While there has been no loss of any of our top 10 customers in the last three Fiscals, there is no assurance that such instance will not arise in the future.

The following table sets forth revenue from our top one, top five and top 10 customers for the Fiscals indicated below:

Category	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)
Top One Customer	4,227.44	35.57%	4,227.91	38.80%	4,045.88	38.01%
Top Five Customers	7,298.89	61.42%	6,907.10	63.39%	6,933.56	65.14%
Top 10 Customers	8,661.40	72.89%	8,501.96	78.03%	8,191.86	76.96%

Notes:

(1) Our top one customer, top five customers and top 10 customers are based on the revenue contribution of the relevant customer in the relevant Fiscals, as the case maybe.

(2) For Fiscal 2026, our top 10 customers include River Mobility Private Limited, Hero MotoCorp Limited, BMW-AG, enviolo, HMC E Valley, Makino Auto Industries Private Limited and Ducati. Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(3) For Fiscal 2025, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati. Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(4) For Fiscal 2024, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati. Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

Further, the volume and timing of sales to our top 10 customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. While we aim to acquire new customers, however, their contribution may not be sufficient to offset demand for our existing customers. In addition, we have exclusivity arrangements with certain of our customers, where we are required to supply products exclusively to such customers. Thus, any decrease in the demand for our products from our key customers, or a termination of our arrangements altogether, would adversely impact our business, results of operations, financial condition and cash flows. 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 there have been no such instances where any of our customers have demanded price reduction in the last three Fiscals, however, we cannot assure you that such instances will not happen going forward which would adversely impact our business, results of operations, financial condition and cash flows.

6. We may not be able to anticipate and respond swiftly to changing technological and market trends, as well as to develop new products aligned with customer demands in the automotive sector, which could have an adverse impact on our financial condition.

Over the years, there has been a significant advancement in vehicle technology. Various new features have been added in internal combustion engines ("**ICE**") and electric vehicles ("**EV**"), making them more appealing to the customers, especially the younger buyers. The EV segment has revolutionised the industry in terms of latest technological designs and offerings and ICE vehicles are following with notable advancements. The new-age vehicles offer a wide range of features and innovations to ensure safer, more efficient and environmentally friendly transportation and that cater to varied consumer needs. *(Source: CRISIL Report)*

Our business success hinges on our ability to innovate and manufacture competitive and new products in line with trends in the automotive industry that meet the demand of our customers. We invest in our research and development capabilities to develop new systems and components to meet such expectations by collaborating with our key customer. However, any delays in customer product launches or changes in preferences could impact our competitiveness. Additionally, unforeseen technological advances or difficulties in internal development may hinder our ability to capture the market demands. While there have been no such instances in the last three Fiscals where any of our products failed to materialize, however, we cannot assure you that any new products that we may launch in future, will be met with commercial success.

If our technologies become obsolete for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.

7. We may not be able to compete effectively in the global powertrain solutions industry which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We compete globally with many other businesses that operate in powertrain solutions and alloys and metallics industry. The global two-wheeler industry witnessed steady growth between 2020 to 2025, with sales volumes increasing from 12.54 million units to 16.89 million units. *(Source: CRISIL Report)* We are particularly affected by factors impacting the premium two-wheeler OEMs globally. While fuel efficiency reigns, demand for higher cc motorcycles is rising globally, even in developing economies. Younger riders prioritize power and performance, while some cultures associate large motorcycles with freedom and status. Global demand for higher cc (>600 cc) motorcycles remained stable, with its share holding steady at around 14% between 2020 to 2025. *(Source: CRISIL Report)* Sub-600cc motorcycles will continue to drive industry volumes, higher-displacement motorcycles are expected to contribute increasingly to market value growth due to their premium positioning and higher average selling prices. *(Source: CRISIL Report)*

The table below sets forth key players in our respective product segments as per the CRISIL Report:

Products	Competitors
Gears & Transmissions	ZF Friedrichshafen AG, Musashi Co. Ltd., BorgWarner Inc. and GKN PLC
Hub motors	Bafang, Mahle
Transmissions for Bikes and E-bikes	Shimano Inc, Rohloff
Alloys & Metallics	Badve Group, Sandhar Technologies, Magnum

During Fiscal 2026, while our revenue from operations was ₹ 11,883.51 million, we face competition from larger organisations who possess greater financial resources, patents and underutilized capacity. Major players such as Bafang Electric, and Hyena in the hub motors category operate out of China and we may not efficiently compete with them on account of lower labour costs, lower tax rates, and export or raw materials subsidies which they may receive. We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. For further information, see "*Our Business - Competition*" on page 290.

8. Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.

Our operations are subject to operating risks associated with manufacturing. Certain operations at our manufacturing facilities, including storage of petroleum class A and B, storage of compressed gases, spillage of chemicals while handling or vehicle movement and material handling can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. As part of our commitment to operational safety and regulatory compliance, we routinely conduct tabletop exercises and mock drills to evaluate the effectiveness of our emergency response plan. Any gaps identified during these exercises are addressed through updates to the plan. We also uphold preventive and predictive maintenance schedules for all pressure vessels, plant equipment, and petroleum storage systems. This includes systematic monitoring of stock levels and usage patterns for underground petroleum tanks. Periodic inspections of safety and pressure release valves are carried out by certified third-party professionals. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases; and other environmental risks. While we have not experienced any major accidents at any of our manufacturing facilities during the last three Fiscals, we cannot assure you that going forward considering the nature of our operations, no such accidents will not happen going forward.

Further, the Uttar Pradesh Pollution Control Board has filed a criminal complaint dated October 23, 2018 before the Special Court of Judicial Magistrate (Water and Air Pollution Control), Lucknow against our Company, our Directors, Pankaj Munjal and Pratibha Goyal, and certain erstwhile directors of our Company under Section 43 of the Water (Prevention and Control of Pollution) Act, 1974, alleging discharge of untreated effluent and polluted matter (trade effluents) into a drain. Please also see '*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company*' on page 480. To prevent any such instances in the future, we ensure proper treatment and disposal of all trade and sewage effluent through sewage treatment facilities within our manufacturing facilities. All requisite monthly and quarterly compliance reports are duly submitted to the Uttar Pradesh Pollution Control Board, in accordance with regulatory requirements.

The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. For instance, we received a show cause notice from Central Pollution Control Board alleging non-compliance with Plastic Waste Management Rules, 2016, and a notice from the Uttar Pradesh Pollution Control Board, Greater Noida, alleging improper disposal of sump-well water and non-submission of compliance reports under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974. Please also see '*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions taken by Regulatory and Statutory Authorities*' on page 480. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected. Further, our customers may require us to invest in additional safety protocols which impose incremental expenses and may impact our ability to operate at optimum efficiencies. Any such action by any of our customers may adversely impact our business, results of operations, cash flows and financial condition.

9. Our inability to maintain and protect our brand and business reputation could adversely affect our business, prospects and financial performance.

Our business reputation and brand are important to the success of our business. Various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand. These include our ability to effectively manage the quality of our products and address grievances, increase brand awareness among existing and potential customers, adopt new technologies or adapt our systems to customer requirements or emerging industry standards, and protect the intellectual property related to our brand.

In addition, we share the trademark and name 'Hero' with other entities within the Munjal group, pursuant to a trademark and name agreement dated May 20, 2010. Under the agreement, our Promoter, Pankaj Munjal's family has the right to use the trademark and name 'Hero' in relation to the business undertaken by our Company only as long as minimum 26% of our shareholding is owned by Pankaj Munjal's family. In the event we are unable to continue to use our trademark or name, we may be required to build our name recognition afresh or if there is any negative publicity surrounding the Hero brand on account of these entities, our brand image can be harmed, which could adversely affect our business, financial condition and results of operations.

We have also applied for registration over the trademark logo "HERO MOTORS" (device mark) and wordmark "Hero Motors" in Classes 12, 35, 40 and 42 under the provisions of the Trademarks Act, 1999, as amended, which have been objected to under Section 11 of the Trade Marks Act on the ground that same /similar trademarks are on record of the register for same/similar goods. In response to these objections, our Company had submitted its reply to the respective examination reports disputing the grounds of objections raised by the Registrar of Trade Marks. Pursuant to this, the Registrar of Trade Marks has issued a notice for show cause hearing to our Company. Further, certain other trademarks filed by our Company have been opposed or objected. For further information, see "*Our Business –*

Intellectual Property and "*Government and Other Approvals – Intellectual Property*" on pages 288 and 489, respectively. There can be no assurance that we will be able to register our trademark and the logo, including by removing objections on our trademark applications, or that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. For further details, see also "- *We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.*" on page 37.

Our brand could also be harmed if our services fail to meet the expectations of our customers, if we fail to maintain our established standards or if we become the subject of any negative media coverage. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our business, financial condition and results of operations.

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

As of March 31, 2026, we operated six manufacturing facilities spread across India, the United Kingdom and Thailand. Of these, four facilities are located in India, with three in Ludhiana, Punjab and one in Gautam Buddha Nagar, Uttar Pradesh. This includes the manufacturing facility for our joint venture with Yamaha Motors Japan, in Ludhiana, Punjab. In addition, we are in the process of setting up two additional facilities in Ludhiana, Punjab and Bengaluru, Karnataka. For further information on our manufacturing facilities, see *"Our Business – Property"* on page 291.

Further, as of March 31, 2026, we operate two technology centres located in Southam, United Kingdom and at Gautam Buddha Nagar, Uttar Pradesh, in India, to expand our service offerings to customers across the entire solution spectrum, from design and engineering to manufacturing. Our manufacturing facilities and technology centres are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control: 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; shortage of qualified personnel; operational or technical issues in our technological centres; changes in applicable local and international laws and regulations impacting our manufacturing facilities and technology centres where we operate; and changes in political relationships between India and the countries in which we export and local political tensions.

Further, our manufacturing facility in Ludhiana, Punjab is operated by HYM Drive Systems Private Limited, a joint venture incorporated pursuant to our joint venture agreement dated October 27, 2021, with Yamaha Motors Japan ("**JVA**"). The operations of HYM Drive Systems Private Limited are required to be undertaken in accordance with the terms of the JVA along with (i) addendum and deed of adherence to the JVA each dated March 11, 2022, and (ii) addendum dated August 11, 2023. We may be subject to potential conflicts or our objectives may not be aligned with those of our joint venture partner which could potentially impact our manufacturing operations. While our agreement with Yamaha Motors Japan includes provisions for conflict resolution and deadlock, there can be no assurance that such measures will be successful, and our operations will not be adversely impacted. For further details, please see "*History and Certain Other Corporate Matters – Other material agreements*" on page 312.

There is no assurance that our business and financial results may not be adversely affected by any disruption of operations at our manufacturing facilities and technology centres, including as a result of any of the factors mentioned above. While there have been no instances of any shutdown or disruptions in our manufacturing facilities or any disruptions in our technological centres in the last three Fiscals, we cannot assure you that such disruptions may not happen going forward. Disruption in our operations may result in reduced production and reduced sales or higher costs to arrange for alternative arrangements to meet our customer obligations, and may also lead to loss of business and/or loss of customer which could adversely affect our business, cash flows, results of operations and financial condition.

11. Our Company may not be successful in implementing its strategies, including increasing focus on providing complete systems and powertrain solution for e-mobility segment, expanding into other market segments and geographies which may adversely affect our business, cash flows, results of operations and future prospects.

Set forth below are details of our Gross Profit, Gross Profit Margin, Adjusted EBITDA, Adjusted EBITDA Margin, restated profit for the year and restated profit for the year margin in the corresponding years:

Particulars	Fiscal		
	2026	2025	2024
Gross Profit[(1)] (₹ million)	4,954.63	4,521.62	4,193.70
Gross Margin[(2)] (%)	41.69%	41.50%	39.40%

Particulars	Fiscal		
	2026	2025	2024
Adjusted EBITDA[(3)] (₹ million)	1,602.44	1,288.21	1,257.38
Adjusted EBITDA Margin[(4)] (%)	13.48%	11.82%	11.81%
Restated profit for the year [(5)] (₹ million)	411.68	327.96	170.35
Restated profit for the year margin[(6)] (%)	3.46%	3.01%	1.60%

Notes:

1. *Gross profit is calculated as revenue from operations minus cost of raw materials consumed minus purchases of stock-in-trade minus changes in inventories of finished goods, work in progress, stock in trade*
2. *Gross margin is calculated as gross profit divided by revenue from operations.*
3. *Adjusted EBITDA is calculated as restated profit for the year plus total tax expense including exceptional items plus share-based payment expenses plus finance costs plus depreciation and amortization.*
4. *Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue from operations.*
5. *The restated profit for the year includes the pre-tax non-cash share based payment of ₹ 105.03 million in Fiscal 2026, ₹148.17 million in Fiscal 2025 and ₹ 394.62 million in Fiscal 2024.*
6. *Restated profit for the year margin is calculated as restated profit for the year divided by revenue from operations.*

For reconciliation in relation to Gross Profit, Gross Profit Margin, Adjusted EBITDA, and Adjusted EBITDA Margin, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 450.

The success of our business depends largely on our ability to effectively implement our business strategies. There is no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of our customers. We expect our strategies to place significant demands on our management and other resources and require us to continue growing our product portfolio and improving our operational, financial and other internal efficiencies. Further, our strategy of increasing our focus on making further investments in our technology centres and developing full powertrain solutions tailored for EVs, may not provide the desired benefits that we may expect.

In order to achieve future growth, we may be required to accurately assess new markets, develop new products, forge relationship with new customers, obtain sufficient financing for our expected capital expenditure, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. If we are unable to execute or manage our strategies effectively, our business and financial results will be adversely affected. Also, see "*Our Business – Our Strategies*" on page 265.

12. Our Company has availed exemption from SEBI in respect of the requirement of complying with statutory lock-in under SEBI ICDR Regulations in respect of certain Equity Shares, which requires us to comply with certain conditions including submissions/undertakings provided by our Company. Any failure by our Company to comply with these conditions may lead to non-compliance with the exemption granted by SEBI.

Our Company and Hero Cycles Limited ("**HCL**") filed a joint petition before the National Company Law Tribunal, Chandigarh Bench ("**NCLT**") under sections 230 to 232, and other applicable provisions of the Companies Act, 2013, read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, seeking sanction of the 2022 Scheme of Arrangement. At the time of the petition, HCL held 97.58% of the shareholding in our Company and the remainder 2.42% was held by certain other individuals and entities, including a 0.08% stake which was held by public shareholders. The 2022 Scheme of Arrangement provided for certain items, including the acquisition by HCL (as the then majority shareholder of our Company) of equity shares of our Company held by the public shareholders, by way of payment of takeover consideration. The 2022 Scheme of Arrangement provided that HCL would be deemed to be the legal and beneficial owner of the equity shares held by the public shareholders of our Company, and these equity shares would be deemed to have been transferred to HCL. Pursuant to the sanction of the 2022 Scheme of Arrangement by the NCLT through its order dated November 4, 2022, our Company had undertaken a corporate action to transfer the equity shares from the public shareholders to the then majority shareholder, HCL. However, as part of this process, certain public shareholders' demat accounts were found to be inactive or statutorily frozen, which impacted the ability to complete the share transfer process. Specifically, there are 12 shareholders (individuals/entities) holding 95 Equity Shares of our Company in demat accounts that are inactive or are subject to statutory freezes and therefore the transfer of such 95 Equity Shares to HCL have not been processed as of the date of this Red Herring Prospectus. As of the date of this Red Herring Prospectus, these accounts remain listed on our Company's BENPOS statement, and the Depositories have been unable to execute the requested corporate action due to these issues.

Accordingly, pursuant to an application dated December 18, 2024, our Company sought exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations to the SEBI, from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to imposition of statutory lock-in on these 95 Equity Shares held by 12 individuals/entities, which were required to be transferred to HCL pursuant to the 2022 Scheme of Arrangement, but were not transferred due to relevant demat accounts being inactive or statutory freezing of these accounts by their respective brokers, as on the date of this Red Herring Prospectus. Pursuant to this, SEBI vide its letter dated May 2, 2025, granted the aforesaid exemption to our Company. The exemption granted by SEBI requires our Company to comply with certain conditions mentioned in the exemption letter, including compliance by our Company with the submissions and undertaking provided by our Company to SEBI, and inclusion of requisite disclosures in the Offer Documents. Any change in the submissions and undertakings provided by our Company to SEBI, may result in non-compliance with the exemption

granted by SEBI, and SEBI may withdraw the exemption granted to our Company. Further, in case these shares are liquidated by the regulatory authority till the time of Allotment of Equity Shares pursuant to the Offer, our Company will undertake adequate measures to ensure imposition of statutory lock-in on such shares, in accordance with Regulation 17 of the SEBI ICDR Regulations.

In addition to the above, as part of the process under the 2022 Scheme of Arrangement, HCL transferred a takeover consideration of ₹ 7,94,612 to a separate designated account which is maintained with ICICI Bank Limited. This aggregate takeover consideration of ₹ 7,94,612 was to be paid to 4,328 public shareholders holding 26,936 equity shares of our Company. Subsequently, HCL was able to disburse the above-mentioned takeover consideration only to 2,038 public shareholders. However, there were 2,290 public shareholders to whom HCL was unable to transfer an aggregate consideration of ₹ 2,42,667.00 due to certain operational reasons, including, incorrect bank account details of such shareholders or non-availability of their bank account details. Accordingly, as of the date of this Red Herring Prospectus, the remaining takeover consideration remains in the designated bank account of HCL maintained with ICICI Bank Limited, pending disbursement as per the 2022 Scheme of Arrangement. In case any such individual who has not received the consideration may raise an objection, it may affect the reputation of the Company. As of the date of this Red Herring Prospectus, there are no pending investor complaints in relation to such shareholders.

13. Certain of our Subsidiaries have suffered losses in the last three Fiscals. There can be no assurance that our Subsidiaries will be profitable in future, or that we will be able to benefit from the funds we have infused in them.

Certain of our Subsidiaries have suffered losses in the last three Fiscals. The table below provides details of profits / losses incurred by our Subsidiaries in the last three Fiscals derived from their audited financial statements:

Name of Subsidiary	Fiscal 2026	Fiscal 2025	Fiscal 2024
	(₹ million)		
Hero Motors Thai Limited	(66.71)	31.80	21.49
HYM Drive Systems Private Limited	(49.11)	(64.94)	(31.41)
Spur Technologies Private Limited	(16.87)	(12.44)	(53.64)
Hero EDU Systems Private Limited	(47.43)	(8.27)	(0.58)
Hewland Engineering Ltd	(37.42)	168.28	80.25
Munjal STP Industries Private Limited	(1.53)	NA	NA

Our Company as of March 31, 2026, has invested ₹ 1,258.77 million into our Subsidiaries. Two of our Subsidiaries, HYM Drive Systems Private Limited and Hero EDU Systems Private Limited have been incorporated on February 18, 2022 and December 27, 2022 respectively, to enter into new business for specific markets and we cannot assure you that they will be successful in developing products for the particular market. For details in relation to the share capital and financial information of our Subsidiaries, please see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 306. There can be no assurance that our Subsidiaries will not incur losses in the future that could result in our Company infusing additional amounts which may have an adverse effect on our business, financial condition, reputation and cash flows.

14. 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 tables set forth details of our capital expenditure in the years indicated:

Fiscal 2026		Fiscal 2025		Fiscal 2024	
Capital Expenditure* (₹ million)	Percentage of the Gross Block** (%)	Capital Expenditure* (₹ million)	Percentage of the Gross Block** (%)	Capital Expenditure* (₹ million)	Percentage of the Gross Block** (%)
922.51	9.58%	1,523.97	18.34%	1,328.37	20.15%

* *Capital Expenditure comprises movement of property plant and equipment, capital work in progress, other intangible assets, intangible assets under developments, capital advance and capital creditors added with depreciation (excluding depreciation on ROU) charged during the year and disposal during the year.*

** *Gross Block comprises property, plant and equipment at cost, capital work in progress, intangible assets at cost and intangible assets under development.*

We typically rely on internal accruals as well as credit facilities with banks to provide for our working capital arrangements. The table below sets forth details of certain parameters as of the dates indicated:

Particulars	As at March 31,		
	2026	2025	2024
Inventories (₹ million)	2,085.13	1,912.57	1,798.98
Trade Receivables (₹ million)	2,529.02	2,023.31	1,947.87
Trade Payables (₹ million)	1,403.46	1,372.07	1,362.47

Particulars	As at March 31,		
	2026	2025	2024
Inventory Days[(1)]	64	64	62
Trade receivable Days[(2)]	78	68	67
Trade Payable Days[(3)]	43	46	47

Notes:

*(1) Inventory days is calculated as inventory as at the end of the period / revenue from operations * 365.*

(2) Debtor days is calculated as value of debtors divided by revenue from operation for a day (revenue from operations divided by 365 days).

(3) Creditor Payable Days is value of trade payable divided by revenue from operation for a day (revenue from operations divided by 365 days).

As a result of our inventory days, we may be required to incur additional costs associated with storage of our inventory. While this is typical given the nature of our business wherein our suppliers and customers are located outside India, any increase in our inventory days could require us to incur additional expenditure towards our inventory storage requirements.

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. We intend to utilize ₹ 2,000.00 million (as part of the Net Proceeds) towards funding capital expenditure through purchase of equipment. For further information on the use of Net Proceeds, see "*Objects of the Offer*" on page 114. 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 business, results of operations, cash flows and financial condition.

15. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our customers data, we may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may reduce and we may incur significant liabilities.

Unauthorized use of, or inappropriate access to, our networks, computer systems or services could potentially jeopardize the security of confidential information. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target. We may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, such as actions (or inactions) by an employee, can also result in a data breach. We cannot assure you that any security measures taken by us will be effective in preventing these activities. We may need to expend significant resources to protect against security breaches or to address problems caused by such breaches. While there have been no data breach during the last three Fiscals which had a significant impact on our operations, we cannot assure you that such data breaches will not occur in the future.

We have taken steps to protect the security of the information that we handle, for example, deployment of firewall and anti-virus mechanism to protect our data. We have also implemented various information technology acceptable uses policy and information technology backup and restoration policy. Employees have access to information on a 'need-to-know' basis and when access to confidential information is required, employees can request it from their respective head of departments. However, we cannot assure you that the security measures we or our third-party service providers have implemented will be effective against current or future security threats. Our security measures or those of our third-party service providers could fail and result in unauthorised access to or use of our platform and products or unauthorised, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our customers data.

Our failure to comply with any of laws, regulations or standards may have an adverse effect on our business, results of operations, cash flows and financial condition.

16. Our Company, Subsidiaries, Promoters, Directors, Key Managerial Personnel and members of the Senior Management are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

There are outstanding legal and regulatory proceedings involving our Company, our Subsidiaries our Promoters, Directors, Key Managerial Personnel and members of the Senior Management which are pending at different levels

of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations.

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

Name of Entity	Criminal proceedings^	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	1	Nil	Nil	NA	1	Nil
Against our Company	1	1	17	NA	Nil	1.63
Directors #						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	1	Nil	Nil	NA	1	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	NA	Nil	Nil
Against the Promoters	1	Nil	1	Nil	2	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Against the Subsidiaries	Nil	1	Nil	NA	Nil	0.01
Key Managerial Personnel						
By our Key Managerial Personnel	Nil	NA	Nil	NA	NA	Nil
Against our Key Managerial Personnel	Nil	NA	Nil	NA	NA	Nil
Senior Management						
By members of our Senior Management	Nil	NA	Nil	NA	NA	Nil
Against members of our Senior Management	Nil	NA	Nil	NA	NA	Nil

 # Includes matters against our Promoter, Pankaj Munjal

** To the extent quantifiable*

^ The criminal litigation against our Company involves a criminal complaint filed by Uttar Pradesh Pollution Control Board against our Company, our Directors, Pankaj Munjal and Pratibha Goyal, and certain erstwhile directors of our Company, alleging that our Company was knowingly discharging its untreated effluent and polluted matter (trade effluents) into a drain in violation of provisions of Water Act, 1974. For details, see "Outstanding Litigation and Material Developments – Litigation against our Company – Criminal Litigation" on page 480.

Except as disclosed under the section titled "*Outstanding Litigation and Material Developments - Litigation against our Promoters – Material Civil Litigation*", on page 483 our Group Companies are not a party to any pending litigations which will have a material impact on our Company.

We cannot assure you that any of these matters will be settled in favour of our Company, Subsidiaries, Promoters, Directors, Key Managerial Personnel or members of the Senior Management respectively, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Subsidiaries, Promoters Directors Key Managerial Personnel or members of the Senior Management in the future. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, cash flows, results of operations and our reputation. For further information, see "*Outstanding Litigation and Other Material Developments*" on page 479.

17. We depend on our senior management and other personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.

Our future performance would depend on the continued service of our Promoter, Pankaj Munjal, Key Managerial Personnel, Senior Management Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, cash flows, financial condition, results of operations and prospects. While there has been no instance in the last three Fiscals where the resignation of any Key Managerial Personnel or Senior Management Personnel had an adverse impact on our business, results of operations, cash flows or financial conditions, there is no assurance that such instance will not arise in the future. Our future success, amongst other

factors, will depend upon our ability to continue to attract, train and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop technologically advanced products and support key customers and products.

The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply.

For further details regarding the employees, see "*Our Business – Human Resources*" on page 290.

Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel. This could have an adverse effect on our business, financial conditions, cash flows and results of operations.

Our success also depends, in part, on key customer relationships forged by our senior management. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

18. We derive a certain portion of our revenue from operations from our Material Subsidiary, Hewland Engineering Limited ("HEL"). In the event there is any adverse impact on the business operations of HEL, our business, results of operations, cash flows and financial condition may be adversely affected.

We derive a portion of our revenue from operations from our Material Subsidiary, HEL located in the United Kingdom. Our Company acquired 32% equity stake in HEL in September 2022 from Hero International B.V., a member of the Promoter Group, which had been associated with HEL since 2017, and we acquired a majority stake by acquiring 19% equity stake in February 2023. HEL specialises in transmission design technology and has an established motorsport customer base. *(Source: CRISIL Report)*

Prior to the acquisition of HEL, in Fiscal 2023 and 2022, our revenue from operations was ₹10,546.24 million and ₹9,141.91 million, respectively. The table below provides revenue from operations generated by HEL derived from its standalone financial statements in the Fiscals indicated:

Fiscal 2026		Fiscal 2025		Fiscal 2024	
Revenue from Operations (₹ million)	**Percentage of our total consolidated revenue from operations (%)**	**Revenue from Operations (₹ million)**	**Percentage of our total consolidated revenue from operations (%)**	**Revenue from Operations (₹ million)**	**Percentage of our total consolidated revenue from operations (%)**
1,349.18	11.35%	1,604.99	14.73%	1,481.14	13.92

In the event there is any impact on the business operations of HEL pursuant to law or macro-economic factors or change in policy, our overall business, results of operations, cash flows and financial condition may be adversely affected.

19. There have been delays in payment of statutory dues by our Company and our Subsidiaries in Fiscal 2026, Fiscal 2025 and Fiscal 2024. Inability to make timely payment of our statutory dues could result us into paying interest on the delay in payment of statutory dues which could adversely affect our business, our results of operations and financial condition.

Our Company, in the regular course of its operations, is required to pay certain statutory dues including the employee state insurance contributions, employee provident fund contributions, income tax payments, tax deductions at source, goods and services tax, equilization levies and professional taxes.

Except as stated below, there have been no instances of default in the payment or nonpayment of statutory dues, including in relation to Employees State Insurance Corporation, provident fund, goods and services tax and income tax by our Company and our Subsidiaries during the last three Fiscals:

S. No.	Details (including name of the statutory body where the amount was due)	Amount Involved *(in ₹ million)*	Duration of the Default (in days)	Due Date	Reason for Delay
1.	Provident Fund **	0.46	22	December 15, 2023	Delay due to technical error
2.	Employees State Insurance**	0.01	1	September 15, 2024	Delay due to technical error
3.	Professional Tax*	0.01	17	September 30, 2024	Delay due to technical error
4.	Provident Fund ***	0.03	29	July 15, 2024	Delay due to technical error
5.	Tax Deducted at Source*	0.02	21	February 7, 2025	Inadvertent delay
6.	Provident Fund **	0.03	28	December 15, 2025	Delay due to technical error
7.	Provident Fund $	0.01	25	November 15, 2025	Delay due to technical error
8.	Tax Deducted at Source **	0.05	173	November 07, 2025	Inadvertent delay

As certified by Ramesh C Agrawal & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2026.

* *HYM Drive Systems Private Limited*

$ *Spur Technologies Private Limited*

** *Hero EDU Systems Private Limited*

*** *HML - Mangli location*

Note:

There are certain defaults including in relation to payment of provident fund, Employee State Insurance Corporation and professional tax for Fiscal 2026, 2025 and 2024 which are negligible (i.e., below ₹ 0.00 million) and therefore the same has not been included in table above.

Set out below are details in relation to overdue amounts payable by our Company and our Subsidiaries towards provident fund, Employees State Insurance Corporation contribution, professional tax, labour welfare fund and income tax (TDS) in the last three Fiscals:

Name of statute	For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of employees to whom payable *	Amount paid (₹ Million)	Number of employees to whom payable *	Amount paid (₹ Million)	Number of employees to whom payable *	Amount paid (₹ Million)
Provident fund	16,323	123.36	17,469	125.01	16,299	106.84
Employees State Insurance Corporation	4,518	3.32	6,439	4.54	6,431	4.55
Professional Tax	1,638	0.33	1,397	0.28	440	0.22
Labour welfare fund	4,348	0.11	4,536	0.11	1,130	0.10
Income Tax TDS	1,318	78.88	1,892	112.54	1,642	72.80

As certified by Ramesh C Agrawal & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2026.

* *The number of employees mentioned above are on cumulative basis and have been calculated by adding the total number of eligible employees month wise for 12 months.*

Further, the table below sets details of the delay in statutory dues payable by our Company and our Subsidiaries in relation its employees in the last three Fiscals:

Name of statute	For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of instances	Amount delayed (₹ Million)	Number of instances	Amount delayed (₹ Million)	Number of instances	Amount delayed (₹ Million)
Provident fund	3	0.04	1	0.03	1	0.46
Employees State Insurance Corporation	-	-	1	0.01	1	-
Professional Tax	5	0.00	2	0.01	10	-
Labour welfare fund			0	-	0	-
Income Tax – TDS	1	0.05	-	-	0	-

As certified by Ramesh C Agrawal & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2026.

The delay in payment of statutory dues payable by our Company and Subsidiaries was primarily due to, among other things, technical error in making the payment on the relevant portals of the regulatory authority and certain inadvertent delays by our Company in making payments. While we have taken certain corrective measures such as performing constant review of the due dates of statutory dues including provident fund and taking steps to deposit the statutory dues a day in advance, to ensure that such delays are not repeated, we cannot assure you that going forward we will

be able to make payment of our statutory dues in a timely manner or at all, which could result in penal or other regulatory action including payment of interest on the delay in payment of statutory dues, which could adversely affect our business and our results of operations and financial condition.

20. We have provided guarantee and standby letters of credit to lenders for three of our Subsidiaries and any failure to repay such loans, may affect our business, results of operations and financial condition.

In certain cases we may provide guarantees to lenders for financing provided to our Subsidiaries. As of July 31, 2026, our Company has provided ₹ 1,574.62 million of guarantee and standby letters of credit to finance long term loan and working capital facilities for four of our Subsidiaries, namely Hero Motors Thai Limited, Hewland Engineering Limited, STPL and Hero Edu. While there have not been any instances in the past of default by our Subsidiaries in repayment of loans for which guarantees have been provided by our Company, in the event these Subsidiaries are unable to repay its loans, our guarantee and standby letters of credit may be invoked by the lenders, which may affect our business, results of operations and financial condition.

21. We are subject to risks associated with expansion into new geographic regions.

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

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including: lack of resources or requisite skill sets to comply with internal controls, manage an increased compliance burden or potential liability associated with operating in multiple countries; compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation; foreign ownership constraints and uncertainties with new local business partners; local preferences and service requirements; fluctuations in foreign currency exchange rates; inability to effectively enforce contractual or legal rights and adverse tax consequences; stringent as well as differing labour and other regulations; differing domestic and foreign customs, tariffs and taxes; exposure to expropriation or other government actions; changes in geopolitical conditions and diplomatic relations; other political, economic and social instability; and foreign exchange control regulations, including restriction on remittance of funds or repatriation of profits from one country to other, levying of withholding taxes on remittance/ repatriation.

We have in the past acquired a strategic stake in HEL in 2022 in the United Kingdom which gave us access to advanced design and prototyping capabilities and enhanced our e-mobility and high-performance transmission solution offerings. In 2023, we commenced operations in our transmission manufacturing facility at Samut Prakan, Thailand, expanding our gearbox supply within the ASEAN region.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, results of operations and financial condition may be adversely affected.

22. We may undertake acquisitions, investments, joint ventures, technical collaborations or other strategic alliances, which may have a material adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.

We may undertake acquisitions, investments, joint ventures, technical collaborations or other strategic alliances to expand our business operations. We have in the past acquired a strategic stake of 32.00% in HEL in Fiscal 2023 and an additional 19.00% stake through exercise of the additional subscription right available to our Company in 2023 and accordingly HEL became our Subsidiary. Further, we have entered into joint venture with Yamaha Motor Co. Ltd. ("**Yamaha**") in Fiscal 2022 and jointly incorporated HYM Drive Systems Private Limited ("**HYM**"), with 90.00% interest held by our Company and the remaining 10.00% interest held by Yamaha for electric motors under the brand 'HYM Drive Systems'; and have also acquired Spur Technologies Private Limited ("**STPL**") a premium bike and e-bike components manufacturer in Fiscal 2024. Our Company entered into a joint venture agreement dated March 7, 2025, with the STP Group ("**JV Agreement**") to record the terms and conditions under which the parties shall form, manage and operate a company in India, that is established to develop, manufacture and sell forging components for the automotive sector and such other components as may be agreed mutually between the parties from time to time.

Pursuant to the JV Agreement, our Company incorporated its Subsidiary, Munjal STP Industries Private Limited ("**MSIPL**"), pursuant to a certificate of incorporation dated July 22, 2025 issued by the Registrar of Companies, Central Registration Centre, Manesar 2. As on the date of this Red Herring Prospectus, our Company holds 51% and High Precision Components International GmbH (a wholly owned subsidiary of Vermogensverwaltung Plettenberg GmbH & Co KG) holds 49% of the issued, subscribed and paid-up equity share capital of MSIPL.

For further details in relation to such joint venture please see "*History and Certain Corporate Matters*" on page 301. Any future acquisitions or joint developments may expose us to new operational, regulatory, market and geographic

risks as well as risks associated with additional capital requirements as well as other considerable risks, including: our inability to integrate new operations, personnel, products, services and technologies; unforeseen or hidden liabilities, including exposure to lawsuits associated with newly acquired companies; the diversion of resources from our existing businesses; failure to comply with laws and regulations as well as industry or technical standards of the overseas markets into which we may expand; our inability to generate sufficient revenues to offset the costs and expenses of such acquisitions or strategic investment; and potential loss of, or harm to employees or customer relationships.

As part of our strategic initiatives, we may from time to time enter into non-binding memoranda of understanding or other preliminary arrangements to explore potential acquisitions, investments, or joint ventures. These documents are intended to facilitate initial diligence and discussions with potential targets and do not create binding obligations on the Company to consummate any such transaction. As of the date of this Red Herring Prospectus, we have not entered into any definitive or binding agreements for the acquisition of any entity or business. There can be no assurance that any such exploratory discussions will result in a transaction, or that if consummated, such transaction will be successfully integrated or value accretive to our business.

Any of these events could disrupt our ability to manage our business, which in turn could have a material adverse effect on our financial condition, cash flows and results of operations. Such risks could also result in our failure to derive the intended benefits of the acquisitions, and we may be unable to recover our investment in such initiatives.

23. Our Promoters and Directors are interested in our Company in addition to their remuneration and reimbursement of expenses and our Company has acquired and is in the process of acquiring land from certain related parties in the last five years.

Our Promoters, and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company and our Subsidiaries, directly and indirectly; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. The table below sets forth the details of remuneration and shareholding of our Promoters and Directors as applicable:

Name	Percentage of pre-Offer Capital on a fully diluted basis* (%)	Remuneration for fiscal 2026 (₹ million)	Remuneration for Fiscal 2026 by our Subsidiaries (₹ million)
Promoters (including Directors)			
OP Munjal Holdings	70.60	Nil	Nil
Pankaj Munjal	2.43	Nil	Nil
Charu Munjal	0.24	Nil	Nil
Abhishek Munjal	0.18	33.62	Nil
Directors (excluding Promoters)			
Amit Gupta	1.44	42.90	5.00[#]
Keshav Misra	0.26	Nil	Nil
Kulbir Singh[**]	Nil	0.21	Nil
Pratibha Goyal[**]	Nil	0.16	Nil
Sridhar Narayan	Nil	Nil	Nil
Andrew Charles Palmer[**]	Nil	0.06	Nil
Ashok Kumar Taneja[**]	Nil	0.14	Nil
Jyoti Arora[**]	Nil	0.11	Nil

[*] *Calculated on the basis of total Equity Shares held and exercise of vested options under the ESOP 2022.*

[**] *Pursuant to the resolution dated June 25, 2025 passed by our Board, the Independent Directors are entitled to receive sitting fees of ₹ 0.03 million per board meeting.*

[#] *This amount is paid by Hero Motors Limited on account of professional services rendered by the director to Hero Motors Thai Limited. The same amount has been cross charged by Hero motors Limited to Hero Motors Thai Limited.*

In addition to this, pursuant to the resolution dated February 17, 2025 passed by our Board and Shareholders' resolution dated March 12, 2025, subject to the relevant caps under applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable clauses of the Articles of Association of Company and other applicable laws, Andrew Charles Palmer, our Non-Executive Independent Director, shall be entitled to receive sales commission for any contracts signed by Company with a customer as a result of direct initiatives of Andrew Charles Palmer in the following manner: (a) for the first year, 1% of the actual sales value generated from such customer (first year will be the date of starting of production/execution and actual sales realization); and (b) for the second and third year, 0.5% of the actual sales value generated from such customer.

Our Company has entered into a consulting agreement dated April 1, 2023, further renewed on March 25, 2025 and thereafter on February 25, 2026, (the "**Nuvomax Agreement**") with Nuvomax Nutritionals Private Limited ("***Nuvomax***") pursuant to which our Company has engaged Nuvomax to provide certain advisory services in relation to the offer on a non-exclusive basis, including assessment and preparation for the Offer, coordination with relevant intermediaries, strategic planning and advisory for the Offer, as per the terms and conditions set forth in the Nuvomax Agreement. One of our directors, Keshav Misra is the promoter, a director and shareholder of Nuvomax holding 96.00% stake in Nuvomax.

Our Subsidiary, Hewland Engineering Limited ("**HEL**") has entered into a consultancy agreement dated February 17, 2025 (the "**Palmer Agreement**") with Palmer Automotive Limited pursuant to which HEL has engaged Palmer Automotive Limited to enhance its operations and business strategy in global market through expert advisory and consultancy services on the terms and conditions set forth in the Palmer Agreement. Our Non-Executive Independent Director, Andrew Charles Palmer is a founder and director of Palmer Automotive Limited.

Further, certain of our Directors, KMPs and SMPs have also been issued employee stock options. For further details, see "*Capital Structure*" and "*Our Management*" on pages 84 and 315, respectively.

Except as disclosed below, none of our Promoters or Directors have any interest in any property acquired in the last five years 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.

Name of the Director/relative	Transaction Details	Date of transaction	Amount Payable	Whether Director or promoter at the time of transaction
Pankaj Munjal and Abhishek Munjal	Purchase of Mangli land by our Company situated in Ludhiana, Punjab from Hero Cycles Limited, in which our Directors Pankaj Munjal and Abhishek Munjal are directors*	October 8, 2024	₹ 205.38 million paid to Hero Cycles Limited	Yes
Pankaj Munjal and Abhishek Munjal	Lease deed agreement with Hero Cycles Limited for its business and registered office situated in Ludhiana, Punjab, in which our Directors Pankaj Munjal and Abhishek Munjal are common directors.	July 1, 2026	₹ 7,500 per month for a period of 11 months.	Yes
Pankaj Munjal, Abhishek Munjal, Ashok Kumar Taneja, Kulbir Singh and Amit Gupta	Our Subsidiary, HYM Drive Systems Private Limited entered into lease deed agreement with HMC E-Valley Private Limited for a land situated in Ludhiana, Punjab. Pankaj Munjal, Amit Gupta and Abhishek Munjal, Ashoka Taneja are directors in HMC E-Valley Private Limited.	June 15, 2022	Total lease rent of ₹40.00 million for the 33-year lease term, payable in installments.	Yes, however, Ashok Kumar Taneja and Kulbir Singh were not Directors at the time of transaction
Pankaj Munjal, Abhishek Munjal, Ashok Kumar Taneja, Kulbir Singh and Amit Gupta	Our Subsidiary, STPL entered into lease deed agreement with HMC E-Valley Private Limited for a land situated in Ludhiana, Punjab. Pankaj Munjal, Amit Gupta, Ashoka Taneja and Abhishek Munjal are directors in HMC E-Valley Private Limited.	February 7, 2022	Total lease rent of ₹45.00 million for the 33-year lease term, payable in installments.	Yes, however, Ashok Kumar Taneja and Kulbir Singh were not Directors at the time of transaction
Pankaj Munjal and Abhishek Munjal	Our Company entered into Lease Deed with Hero Cycles Limited for leasing out a land situated at Lease Premises area 3915.56 Sq Ft for warehouse located at Hero Motors Limited Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab, Punjab-141010. Pankaj Munjal and Abhishek Munjal are directors in Hero Cycles Limited.	January 1, 2026	₹ 19,600 per month	Yes
Amit Gupta and Abhishek Munjal	Our Subsidiary, Hero EDU entered into lease deed agreement with our Company for a land situated in 10th K.M. Stone, G.T. Road, P.O. Dujana, Dadri Distt., Gautam Budh Nagar, Uttar Pradesh, Amit Gupta and Abhishek Munjal are directors in, Hero EDU	February 1, 2025	₹ 100,000 per month	Yes
Amit Gupta and Abhishek Munjal	Our Subsidiary, Hero Edu entered into sub lease deed agreement with our Company for a land situated at 7th Floor, Max Square, Situated at Plot no. C3-C, Jaypee wishtown, Noida Sector-129, UP-201 304 Amit Gupta and Abhishek Munjal are directors in Hero Edu	August 24, 2026	₹ 91,725 per month	Yes
Amit Gupta and Abhishek Munjal	Our Company has entered into a rent agreement dated July 1, 2026 with Munjal	June 22, 2026	₹ 5,000 per month	Yes

Name of the Director/relative	Transaction Details	Date of transaction	Amount Payable	Whether Director or promoter at the time of transaction
	STP Industries Private Limited ("**MSIPL**") for a portion of its premises situated at Phase-8, Focal Point, Chandigarh Road, Ludhiana, Punjab, India - 141010, admeasuring approximately 221 sq. ft. on the ground floor, for MSIPL's registered office, at a monthly rental of ₹ 5,000 for a period of 11 (eleven) months with effect from June 22, 2026. Our Promoter and Director, Abhishek Munjal, and our Director, Amit Gupta, are also directors of MSIPL.			
Pankaj Munjal and Abhishek Munjal	Our Subsidiary, Spur Technologies Private Limited ("**STPL**"), entered into a lease deed dated January 19, 2026 with Hero Cycles Limited for an area admeasuring 25 sq. ft. situated at 2A-1001, 10th Floor, Two Horizon Centre, Sector – 43, DLF Phase – V, Gurugram, Haryana, India – 122002, for the purpose of maintaining STPL's registered office, at a monthly rental of ₹ 5,000 for a period of 11 (eleven) months with effect from January 1, 2026. Our Promoter, Pankaj Munjal, is a promoter and one of the directors of Hero Cycles Limited, and our Promoter, Abhishek Munjal, is one of the directors of Hero Cycles Limited.	January 1, 2026	₹ 5,000 per month	Yes
Amit Gupta and Abhishek Munjal	Our Subsidiary, Spur Technologies Private Limited ("**STPL**"), entered into a lease deed dated July 30, 2026 with our Company for an area admeasuring 1,400 sq. ft. on the 1st Floor of the premises situated at 10th K.M. Stone, G.T. Road, P.O. Dujana – 203207, Tehsil Dadri, District Gautam Budh Nagar, Uttar Pradesh, at a monthly rental of ₹ 2,800 (plus applicable GST) for a period of 11 (eleven) months with effect from August 1, 2026. Abhishek Munjal and Amit Gupta are directors in Spur Technologies Private Limited.	August 1, 2026	₹ 2,800 per month	Yes
Pankaj Munjal, Abhishek Munjal, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh	Our Subsidiary, Munjal STP Industries Private Limited ("**MSIPL**"), entered into a lease deed dated December 9, 2025 with HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited), for 3 acres of land on Block B, Plot No. A-01 (B)-01, Khasra No. 27/17, 18, 23, 24, 37/4 (Village Bonkar) and Khasra No. 4/23, 24, 13/3, 4 (Village Dhanansu) at Hero Industrial Park, District Ludhiana, for a period of 33 years commencing from October 29, 2025. Our Promoters and Directors, Pankaj Munjal and Abhishek Munjal, and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh, are directors of HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited).	October 29, 2025	Total lease rent of ₹75.00 million for the 33-year lease term, payable in installments.	Yes

** Certain portion of the Mangli land is yet to be sold by HCL to our Company and a sum of 22.82 million is yet to be paid. An agreement to sell dated October 11, 2023 has been executed between HCL and our Company in this regard. For more details, please see "Risk Factors – A portion of the land where our Mangli Facility in Ludhiana, Punjab is located is yet to be registered in the favour of our Company" on page 45.*

24. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.

As on the date of this Red Herring Prospectus, our Company has six registered trademarks while our Subsidiary, HEL has three registered trademarks; and HYM has one registered trademark, STPL has four registered trademarks and Hero EDU have eleven registered trademarks. HYM has also filed one patent application in India for hall sensor-less

hub-motor with temperature sensors on windings. For details in relation to registered trademarks of our Company, see "*Government and Other Approvals-Intellectual Property*" on page 489. Further, as on the date of this Red Herring Prospectus, two trademark applications filed by our Company for registration of its previous logo which is not in use currently have been opposed. Further, an application for the trademark for the logo has been objected and one application filed in relation to the trademark for wordmark "Hero Motors" has also been objected.. Additionally, one trademark application filed by Hero EDU has been refused. Further, eleven of its trademark applications have been registered. Two trademark applications filed by STPL have also been opposed and one trademark application filed by HYM has been refused. For further information, see "*Our Business – Intellectual Property"* on page 288. However, there can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. Further, the laws of India or other countries where we operate may not protect proprietary rights to the same extent as laws in certain other countries such as the United States. Therefore, our efforts to protect our intellectual property may not be adequate. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Further, Pankaj Munjal, Promoter and Director of our Company, is currently involved in litigation in relation to the manner of usage and assignment of "HERO" formative marks and the "H" Monogram. For further information please see "*Outstanding Litigation and Material Developments - Litigation against our Promoters-Material Civil Litigation*" on page 483. Any such litigation could be time-consuming and costly and the outcome cannot be guaranteed. Accordingly, we may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property. Also see "- *Our inability to maintain and protect our brand and business reputation could adversely affect our business, prospects and financial performance.*" on page 26.

25. *We may not be able to sustain growth in our revenue from operations and profit for the year in future periods which could have an adverse impact on our financial condition and results of operation.*

Set forth below are details of our revenue from operations and profit after tax in the corresponding years:

Particulars	Fiscal			CAGR Growth (Fiscal 2024-2026)%
	2026	2025	2024	
Revenue from Operations (₹ million)	11,883.51	10,895.93	10,643.86	5.66%
Adjusted EBITDA (₹ million)	1,602.44	1,288.21	1,257.38	12.89%
EBITDA (₹ million)	1,477.82	1,140.04	826.76	30.88%
Restated profit for the year (₹ million)[(1)]	411.68	327.96	170.35	55.46%

[(1)] *The restated profit for the year is including the pre-tax non cash share based payment of ₹ 105.03 million in Fiscal 2026, ₹ 148.17 million in Fiscal 2025 and ₹ 394.62 million in Fiscal 2024.*

For further information, see *Restated Consolidated Financial Information" and "Management's Analysis and Discussion of Financial Condition and Results of Operations*" on pages 347 and 446, respectively. A decrease in the demand of our products may result in a decrease in our revenue from operations and profitability. We cannot assure you that our growth strategy will continue to be successful or our revenue from operations and profits will continue to increase at the historical rates. Our inability to manage our business, profitability and growth strategy could have a material adverse effect on our business, financial condition, cash flows and results of operations.

26. *Our Promoter is involved in certain Group Companies which are empowered to engage in similar line of businesses as ours.*

Certain of our Group Companies are empowered under their constitutional documents to engage in similar line of business as the Company. However, currently there are no common pursuits between them and accordingly there is no conflict of interest currently with any of these Group Companies. Further, while our Promoters, are currently on the board or holds equity shares in certain of these Group Companies, however Group Companies shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise. As some of 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. For further details regarding our Group Companies, see "*Our Group Companies*" on page 342.

27. *We have received queries/ requests from certain erstwhile shareholders holding physical share certificates, in relation to entitlement to shares and dividend, conversion of their physical share certificates into dematerialised form and the status of shares held in physical form. We may continue receiving such requests in the future.*

Our Company has undertaken two corporate restructuring actions in the past pursuant to which certain individuals and entities ceased to be shareholders in the Company as provided below:

- **2006 Capital Reduction**: Pursuant to a scheme of capital reduction of our Company under Sections 100 to 103 of the Companies Act, 1956, which was sanctioned by the Delhi High Court vide order dated May 12,

2006, 49,500,000 preference shares and 53,103,493 equity shares of our Company were cancelled/extinguished. As per the scheme, any shareholder holding 10 shares before capital reduction would receive 1 equity share of the Company and a fractional entitlement of 0.21 post capital reduction. The shareholders who by virtue of reduction of share capital were entitled to fractional shares were given the value of their fractional entitlement by then existing promoter group of our Company, in cash at ₹10 per fractional entitlement. The scheme also provided that to the extent the fractional shares cannot be consolidated, such shares stand cancelled. For more details, see "*Capital Structure - Share capital history of our Company*" on page 85.

In this regard, we have received communication from certain erstwhile shareholders who existed before the capital reduction in relation to entitlement to shares and dividend, and dematerialisation of such physical share certificates. We have clarified to these shareholders that the relevant payment has been made and that they were not entitled to any further payments or issuance of share certificates post reduction as they held less than 10 shares.

- **2022 Scheme of Arrangement**: The Company undertook a scheme of arrangement in 2022 pursuant to which 26,936 equity shares held by 4,328 public shareholders in our Company were to transferred to HCL. While such equity shares have been transferred in dematerialised form to HCL, there are still certain shareholders holding physical certificates of such equity shares who have written to us in relation to entitlement to shares and dividend, and dematerialisation of such equity shares. We have clarified to such shareholders that they were not entitled to issuance of share certificates, and the dematerialisation has already happened, and the relevant equity shares are now owned by HCL in accordance with the scheme.

We may continue to receive queries/ requests from erstwhile shareholders, including in relation to entitlement to shares and dividend, and to convert their physical share certificates into dematerialised form and the requests for status of physical share certificates held by such shareholders, which may be time-consuming and resource intensive. As of the date of this Red Herring Prospectus, there are no pending investor complaints in relation to the aforementioned matters, or otherwise.

28. While our business is not seasonal, however, our business prospects and future financial performance depend on the demand for our products. Any decrease in demand for such products could adversely affect our business, results of operations and cash flows.

While our business is not seasonal, however, our business prospects and future financial performance depend on the demand of our automotive and non-automotive products in India as well as globally. While we anticipate that the demand of our products in particular EV industry to grow in future, however, we cannot assure you that this will be the case in the future and any decrease in preference for EV vehicles will result in a drop in demand for our products. If the demand for our products does not increase, our business, results of operations, financial condition and prospects may be adversely impacted.

29. Any disruption to power or fuel sources could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.

While we utilize renewable energy for a part of our operations, however, we require power and fuel for our facilities. The following table sets forth below our power and fuel expenses in the years indicated:

Fiscal 2026		Fiscal 2025		Fiscal 2024	
Power and Fuel Expenses (₹ million)	**Percentage of Total Expenses (%)**	**Power and Fuel Expenses (₹ million)**	**Percentage of Total Expenses (%)**	**Power and Fuel Expenses (₹ million)**	**Percentage of Total Expenses (%)**
315.79	2.74%	297.75	2.78%	281.98	2.66%

In case the cost of power or fuel is increased significantly and we cannot pass on such increase in cost to our customers, our cost of production and profitability will be adversely affected. Interruptions of electricity supply can result in production shutdowns; increased costs associated with restarting production and the loss of production in progress. Any significant increase in power price or increased interruptions may require us to add captive power generation capacity which will lead to incremental capital expenditure which may adversely impact our cashflows. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our business and results of operations will be adversely impacted. While we have not experienced any material power outages or power and fuel supply interruptions in the last three Fiscals, we cannot assure you that no such instances will occur in future which may disrupt our operations.

30. Our business and profitability are substantially dependent on the availability of steel, our primary raw material and any disruption to the timely and adequate supply of steel, may adversely impact our business, results of operations, cash flows and financial condition.

We are engaged in the manufacturing of electrified as well as non-electrified powertrains and alloys and metallics components, requiring steel of certain technical specifications. While there have been no instances in the last three Fiscals, where we were unable to source desired quantity of steel from our vendors, or where we experienced

unexpected increase in steel price at the time of sourcing steel from our vendors, we cannot assure you that such instances will not occur going forward.We may experience volatility in the availability of steel. While our arrangements with customers allow us to seek an upward revision in pricing, 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 prices for our customers, to account for the increase in the prices of such raw materials. Our ability to pass through steel costs or otherwise mitigate these costs increases could adversely affect our business. From time to time, commodity prices may also fall rapidly. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions. If these supply interruptions occur, our costs for procuring our primary raw material could increase, and our business, cash flows and results of operations could be adversely affected. 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 which could adversely affect our business, results of operations, cash flows and financial condition.

31. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition.

We have entered into various financing arrangements with various lenders for various purposes including funding our working capital requirements. As of March 31, 2026, our outstanding long-term debt was ₹ 987.69 million and short-term debt was ₹ 3,020.20 million while our debt-to-equity ratio was 0.83. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

Our financing arrangements include conditions that require us to obtain respective lenders' waivers and consents prior to carrying out certain activities and entering into certain transactions including (i) effecting changes in capital structure, including by way of a bonus or split of the Equity Shares, issuance of Equity Shares, (ii) effecting changes in Company's shareholding pattern; (iii) change in the constitution of the board of directors of the Company and management set up of the Company, including changes in the key managerial personnel of the Company; (iv) amending the constitutional documents, including but not limited to the memorandum of association and articles of association of the Company in accordance with applicable law. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. As of the date of this Red Herring Prospectus, we have received all consents required from our lenders in connection with the Offer.

In terms of security for working capital facility limits loan excluding overdraft, we are required to create a hypothecation or charge over our current assets, and movable properties and for overdraft limit a fixed deposit equivalent to 100% of the relevant overdraft limit. As of July 31, 2026, we had total outstanding secured borrowings (long term and short-term including non-fund-based limits) of ₹ 4,270.17 million. Further, as of July 31, 2026, our total outstanding borrowings payable on demand was ₹ 1,787.74 million which represented 41.87 % our total outstanding borrowings. For further details, see "*Financial Indebtedness*" on page 441. We may also be required to furnish additional security if required by our lenders. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

Additionally, these financing agreements also require us to maintain certain financial ratios such as debt-to-equity ratio, current ratio, fixed asset coverage ratio, equity ratio (calculated as total outside liability/ tangible net worth) and total debt/ adjusted tangible net worth. While there has been no breach of such covenants in the last three Fiscals, there can be no assurance that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, while there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks in the last three Fiscals, there is no assurance that we will not need to re-schedule / re-structure our indebtedness in the future.

32. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank, financial institution, or any other independent agency, which may affect our business and results of operations. Further, the schedule of the implementation of the Objects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.

We intend to use the Net Proceeds of the Fresh Issue portion of the Offer towards (i) repayment / pre-payment/redemption, in full or in part, of certain outstanding borrowings availed by our Company; (ii) funding capital expenditure of our Company through purchase of equipment required for capacity enhancement of our Gautam Buddha Nagar, Uttar Pradesh facility; and (iii) funding inorganic growth through unidentified acquisitions and general

corporate purposes and , as described in "*Objects of the Offer*" on page 114. The objects of the Offer have not been appraised by any agency. Whilst CARE Ratings Limited has been appointed as the monitoring agency for monitoring utilization of the Gross Proceeds, the proposed utilization of Net Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial conditions, business or strategy. For details, see "*Objects of the Offer*" on page 114. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, use of Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Further, certain information contained in this Red Herring Prospectus, such as our funding requirements and our intended use of the proceeds of the Offer, in addition to not being appraised by any bank, financial institution or agency are based on management estimates and internal management information systems and our business plan. We may also have to revise our funding estimates, future projects and the estimated commencement and completion dates of our future plans depending on future contingencies and events, including, among others: changes in laws and regulations; competition; receipt of statutory and regulatory approvals and permits; the ability of third parties to complete their services on schedule and on budget; delays, cost overruns or modifications to our future projects; commencement of new projects and new initiatives; and changes in our business plans due to prevailing economic conditions. Accordingly, the schedule of the implementation of the objects for which funds are being raised in this Offer, is subject to risk of unanticipated delays in implementation and cost overruns. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and 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.

33. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale.

We intend to use the Net Proceeds of the Fresh Issue portion of the Offer towards (i) repayment / pre-payment/redemption, in full or in part, of certain outstanding borrowings availed by our Company; (ii) funding capital expenditure of our Company through purchase of equipment required for capacity enhancement of our Gautam Buddha Nagar, Uttar Pradesh facility; and (iii) funding inorganic growth through unidentified acquisitions and general corporate purposes, as described in "*Objects of the Offer*" on page 114. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Offer. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

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

In addition to the Fresh Issue from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer Expenses) and our Company will not receive any part of such proceeds.

34. If our Net Proceeds to be utilised towards inorganic growth through unidentified acquisitions are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.

We intend to utilize a certain amount of the Net Proceeds towards potential acquisitions and strategic initiatives. See "*Objects of the Offer – Funding inorganic growth through unidentified acquisition and other strategic initiatives and general corporate purposes*" on page 120.

The actual deployment of funds will depend on various factors, including the timing, nature, size and number of acquisitions undertaken, as well as general factors affecting our cash flows, results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries, in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of business/ asset or technology acquisitions or joint ventures. We will from time to time continue to seek attractive inorganic opportunities that may be within India, outside India or both, that we believe will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on decisions of our management and our Board.

We cannot determine whether the amounts deployed from the Net Proceeds will be sufficient to meet the full cost of such acquisitions or investments, which could result in a funding shortfall. While we cannot presently quantify the amount that will be used towards such initiatives since such amount will be authorized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC, the cumulative amount to be utilized towards inorganic growth through acquisition and other strategic initiatives and general corporate purposes shall not exceed 35% of the amount raised by our Company. Consequently, we may be required to explore a range of options to raise requisite capital, including utilizing our internal accruals and/or seeking debt, including from third party lenders or institutions. There is no assurance that we will be able to successfully integrate the acquired businesses, generate substantial revenue, or achieve any expected benefits on a timely basis or at all.

35. We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our business, financial condition, cash flows and results of operations.

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. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. There is no assurance that we will accurately assess the creditworthiness of our customers. In Fiscal 2026, 2025 and 2024, our Company made a provision for doubtful receivables and advance for ₹ 0.43 million, ₹ 0.26 million and ₹ 0.74 million, respectively. Further, macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. The following table sets forth below details of our credit cycle, our trade receivables and trade receivable turnover ratio for top 5 customers for the corresponding years:

Particular	As of/ For the Year Ended March 31,		
	2026	2025	2024
Credit Cycle (Number of Days)	78	68	67
Trade Receivable from Top 5 customers (₹ million)	1,689.29	1,312.27	1,149.17
Trade Receivable Ratio for Top 5 customers	4.32	5.26	6.03

If our customers delay or default in making these payments, our profit margins and cash flows could be adversely affected.

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

We are required to obtain certain approvals, registrations, permissions and licenses under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business such as consent to operate, consent to establish, registration and license to work a factory, no-objection certificate from fire department, amongst others, all of which are required to carry out/ undertake our operations. A majority of these approvals, including the consent to operate under environmental laws, are granted for a limited duration and require renewal from time to time. These approvals, licenses, registrations and permissions may be subject to numerous conditions. In addition, we may be required to obtain approvals and registrations in countries outside India where we operate, in particular in the United Kingdom and Thailand, where we have manufacturing facilities. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. While there has been no instance where we failed to obtain

regulatory approvals in the last three Fiscals which had an adverse material impact on the financials of the Company, there is no assurance that such instance will not arise in the future. Further, while there has been no instance in the last three Fiscals where our license was suspended or cancelled by any regulatory authority which impacted our operations, there is no assurance that such instance will not arise in the future. Certain of our approvals which have expired or for which we have made applications include registration for principle employer under Contract Labour (Regulation and Abolition) Act, 1970 for our Mangli and Spur Facility.

Further, in relation to the following approvals obtained for the G.B. Nagar Facility, our Company has filed applications to obtain a fresh certificate of registration in the name of the Company pursuant to the 2022 Scheme of Arrangement as they were in the name of Hero Motors, a division of Hero Cycles Limited:

- Extended Producer Responsibility Certificate under Plastic Waste Management Rules, 2016 issued by Uttar Pradesh Pollution Control Board.

For further information on the nature of approvals and licenses required for our business and for information on the material approvals applied for, see "*Government and Other Approvals*" on page 486. In addition, we have and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time.

There is no assurance that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

37. We had applied for incentives under certain government schemes in the past for which we did not qualify. Any inability to obtain such incentives in the future could adversely affect our results of operations and financial condition.

We have, in the past, applied for certain incentive schemes for which we did not qualify and, accordingly, did not receive the associated benefits. The eligibility requirements, interpretation of applicable criteria and administrative procedures governing such schemes may change over time and are subject to the discretion of the relevant authorities. As a result, we cannot assure you that we will qualify for, be approved under, or successfully receive incentives, subsidies or other benefits under such schemes in the future. Any failure to obtain expected incentives or benefits, delays in the approval or disbursement of such incentives, changes in eligibility criteria or the discontinuation of applicable schemes may adversely affect our results of operations and financial condition.

38. We are dependent on third parties for the transportation and timely delivery of our products to customers. Any failure by or loss of a third party transport service provider could result in delays and increased costs, which may adversely affect our business.

We rely on third parties for the transportation services for the timely delivery of our products to our customers located in India and other countries including from manufacturing facilities located outside India. As part of our operations, we have empanelled multiple third party logistics providers who support our operations. The following table sets forth the freight and forward charges incurred as a percentage of our total expenses in the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Freight and Forward Charges	180.49	1.56%	152.00	1.42%	149.83	1.41%

We engage third-party logistic service providers to support our transportation requirements on a need basis. While there have been no such instances in the last three Fiscals, where we experienced any disruptions due to strikes or any other factors involving our third-party logistic service provides, however, we cannot assure you that such instances may not occur in future. 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.

While delivery of products to customers within India is generally shipped by road, the majority of our shipments to the foreign markets are by sea and subject to associated risks, including damage or loss of containers due to shipwreck, mishandling of our shipment at port or at sea, damage during transportation and loading and unloading. While we maintain marine open inland declaration policy and marine export import insurance open policy to cover various risks

during the transit of goods overseas, any damage suffered by us in excess of coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. In Fiscal 2024, 2025 and 2026, we had experienced one, two and one instances, respectively wherein our products got damaged during the transportation against such respective instances, we received insurance claims amounting to ₹ 0.06 million, ₹ 0.60 million and nil respectively. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers that may have an adverse effect on our business, financial condition, cash flows and results of operations.

39. Certain of our properties, including our Registered Office and Corporate Office, are located on leased premises. If these leases and license agreements are terminated or not renewed and we are not able to identify alternative premises on terms acceptable to us, it could adversely affect our business, financial condition, results of operations, and cash flows.

Certain of the land and property on which our offices and facilities are located has been leased by us. Our Registered Office is situated at Hero Nagar, GT Road, Ludhiana – 141 003, Punjab, which is leased by our Company from one of our Group Company and a member of our Promoter Group, Hero Cycles Limited, for a period of 11 months from July 01, 2026 until May 31, 2027. Our Corporate Office is situated at 7th Floor, Max Square, situated at Plot No C3-C, Jaypee Wishtown, Noida-Greater Noida Expressway, Sector 129, Gautam Buddha Nagar 201304, Uttar Pradesh on premises that are leased by our Company from a third party for a period of nine years with effect from February 1, 2024 until January 31, 2033.

The table below sets forth details of our lease agreements for our manufacturing facilities, as of March 31, 2026:

Manufacturing Facility	Address	Owned / Leased	Area (Square Meters)	Duration of Lease Term
India				
GB Nagar Facility -Gautam Buddha Nagar, Uttar Pradesh	10th K.M. Stone, G.T. Road, P.O. Dujana-203207, Tehsil Dadri, District Gautam Budha Nagar, Uttar Pradesh	Partly owned and partly leased	127,398.00	July 22, 2021 until July 21, 2051
Hero EDU Facility - Gautam Buddha Nagar, Uttar Pradesh**	10th K.M. Stone, G.T. Road, P.O. Dujana-203207, Tehsil Dadri, District Gautam Budha Nagar, Uttar Pradesh	Leased	1,173.59	February 1, 2025 until January 1, 2035
Mangli Facility - Ludhiana, Punjab***	Phase-8, Focal Point, Chandigarh Road, Ludhiana-141010, Punjab	Owned	29,339.71	-
HYM Facility -Ludhiana, Punjab	Plot No A-01, Hi-Tech Cycle Valley, Village - Dhanansu, Ludhiana - 141112, Punjab	Leased	8,093.71	June 15, 2022 until June 15, 2055
SPUR Facility - Ludhiana, Punjab	Plot No A-01, Hi-Tech Cycle Valley, Village - Dhanansu, Ludhiana - 141112, Punjab	Leased	12,140.60	February 7, 2022 until February 6, 2055
Hero Motors Limited (warehouse)	Warehouse at Village Bhaganki Near Power Grid Tauru Road Pachgaon Gurugram-122015 (Haryana)	Leased	789.68	February 1, 2026 - December 31, 2026
Hero Motors Limited (warehouse)	Plot no. 104/1 Village Halol-2 Maswad Indl. Estate Halol Dist. Gujarat-389350	Leased	176.52	February 1, 2026 – December 31, 2026
Hero Motors Limited (warehouse)	Khasra No. 764 Salempur Mehdood Roshnabad Behind Kavin Care Sector-4 Sidcul Roshnabad Haridwar-249403	Leased	222.97	February 1, 2026 – December 31, 2026
International				
Thai Facility - Samut Prakan, Thailand	88/16 Moo. 4, Asia Industrial Estate (Suvarnabhumi), Tambol Klongsuan, Amphur Bang Bo, Samutprakarn Province	Leased	3,500.00	June 16, 2026 until June 15, 2029
Maidenhead, United Kingdom	Waltham Road, White Waltham, Maidenhead SL6 3LR	Leased	4,454.00	September 25, 2025 until September 24, 2040

** *This forms a part of GB Nagar facility.*

*** *Certain portion of the Mangli is yet to be sold by HCL to our Company and a sum of ₹ 22.82 million is yet to be paid. An agreement to sell dated October 11, 2023 has been executed between HCL and our Company in this regard. For more details, please see "Risk Factors – A portion of the land where our Mangli Facility in Ludhiana, Punjab is located is yet to be registered in the favour of our Company" on page 45.*

In addition to the above, our Company is in the process of setting up a new manufacturing facility at (i) Plot No.188, Jakkasandra Industrial Area, Sy No. 96 & 99/1, Jakkasandra Village, Kasaba Hobli, Malur Taluk, Kolar District – 563130, for the purpose of which our Company has entered into a lease agreement which is valid for a period of five years commencing from July 17, 2026 and (ii) at Block B, Plot No. A-01 (B)-01, Khasra no.27//17, 18, 23, 24, 37//4 (Village Bonkar), Khasra No. 4//23, 24, 13//3, 4 (Village Dhanasu) at Industrial Park, District Ludhiana, Punjab for the purpose of which our Subsidiary, MSIPL, has entered into a lease agreement which is valid for a period of thirty three years from October 29, 2025.

The following table sets forth the details of our technology centres, as of March 31, 2026:

Technology Centres	Address	Owned / Leased	Area (Square Meters)
Gautam Buddha Nagar, Uttar Pradesh, India	Max Square, Plot No C3-C, Jaypee Wishtown, Noida-Greater Noida Expressway, Sector 129, Gautam Buddha Nagar 201 304, Uttar Pradesh	Leased	1,294.04
Southam, United Kingdom	Unit 1 Kineton Road Industrial Estate, Kineton Road, Southam, CV47 0DR	Leased	584.82

Additionally, our Company has also entered into certain lease agreements with third parties in March, 2025 to set up warehouses in such leased properties.

These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. In addition, these leases generally have annual/periodic escalation clauses for rent payments. There can be no assurance that we will be able to retain or renew such leases on the same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all. Failure to identify suitable premises for relocation of existing properties and facilities, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations. While there have been no such instances in the last three Fiscals where terminated any of our lease agreements, we cannot assure you that no such instances will happen going forward. In addition, any regulatory non-compliance by the lessor or us or adverse development relating to the lessors' title or ownership rights to such properties, may entail significant disruptions to our operations, especially if we are forced to vacate the leased space following such developments.

40. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. Our inability to successfully implement such capacity expansion or any future capacity expansion plans could have a material adverse effect on our business, prospects, operations, prospects or financial results.

We intend to use a portion of the Net Proceeds for funding our capital expenditure requirements which includes, inter alia, the expansion of capacity through the purchase of equipment for our Gautam Buddha Nagar, Uttar Pradesh facility. Such expansion of our manufacturing capacities may be subject to operational challenges in implementing such expansion. We are yet to place orders for the total capital expenditure proposed to be undertaken. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. We have obtained the quotations from various vendors in relation to such capital expenditure; however most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors, including financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and interest or exchange rate fluctuations and other external factors including changes in the price of the equipment due to variation in commodity prices (including steel) which may not be within the control of our management. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Offer*" on page 114.

Further, we cannot assure you that we will be able to increase the capacity utilization of our manufacturing plant, including due to any inability to secure orders from customers for our products. Additionally, the capital expenditure incurred in relation to the manufacturing plants is generally long term in nature and may not generate the expected returns due to market conditions or due to reduced demand from our customers. Significant adverse changes from our expected returns on investment in manufacturing plants could have a material adverse effect on our business, prospects, operations, prospects or financial results.

41. A portion of the land where our Mangli Facility in Ludhiana, Punjab is located is yet to be registered in the favour of our Company.

Our Company had entered into an agreement to sell dated October 11, 2023 with Hero Cycles Limited, one of our Group Companies and member of our Promoter Group in relation to the Mangli facility, wherein our Promoter, OP Munjal Holdings holds more than 20% of the equity share capital, to acquire 7.25 acres of the land and the building constructed thereon located at Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab, India-141010 ("**Mangli facility land"**) for a consideration of ₹ 228.20 million. Of the total sale consideration, ₹ 205.38 million has been paid by our Company and accordingly a sale deed dated October 8, 2024, has been registered for 6.65 acres of Mangli facility land. The balance ₹ 22.82 million is yet to be paid, and consequently a sale deed is yet to be executed and registered in favour of our Company for the remaining 0.60 acres of the Mangli facility land. If the same is not executed the validity of the sale and Company's title to the land the building constructed thereon underlying the same may be affected. The enforceability of the agreement for the pending portion of the Mangli facilty land is also subject to risks from legal challenges or unforeseen circumstances, potentially hindering our ability to acquire the specified land. For further information in relation to the interests of our Promoters in our Company, please see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 315 and 336, respectively

42. We are unable to trace some of our historical corporate and secretarial records and there has been a delay in filing of statutory forms with the RoC with respect to the appointment of an independent director. We cannot assure you

that no legal proceedings or regulatory actions will be initiated against our Company in the future in in this regard which may impact our financial condition and reputation.

We have been unable to locate the following secretarial records:

(i) shareholders' resolution and Form 23 for allotment of 12,713,905 Equity Shares, 8,600,000 Equity Shares, 3,000,000 Equity Shares, 495,000,000 Preference Shares on August 25, 1998, February 18, 1999, August 23, 1999 and September 28, 2004, respectively; and

(ii) Form 21 and Form 23 filed for allotment of 35,000,000 Equity Shares on September 24, 2004.

(iii) offer documents and terms of issue for preferential issue/ private placement for the allotment of 12,713,905 Equity Shares, 8,600,000 Equity Shares, 3,000,000 Equity Shares, 495,000,000 Preference Shares, 22,785,484 Equity Shares, 4,475,000 Equity Shares, 49,500,000 Preference Shares, 9,375,000 6% Non-Cumulative Convertible Redeemable Preference Shares and 10,625,000 Preference Shares on August 25, 1998, February 18, 1999, August 23, 1999, September 28, 2004, September 9, 2007, November 23, 2010 and September 7, 2013.

(iv) board resolution for the issuance of 495,000,000 Preference Shares on September 28, 2004

Additionally, we have been unable to locate certain challans in relation to certain past allotments of Equity Shares/Preference Shares. We have also not been able to locate certain documents including stamped share transfer forms, delivery instruction slips, resolutions, form filings, payment challans, register of transfers, relating to certain transfers of Equity Shares involving our Promoters, Promoter Group and Selling Shareholders. Therefore, for certain details of such transfers including the transfer price which have been disclosed in this Red Herring Prospectus, we have relied on other records including investment ledgers, minutes of meetings and certifications from such members of the Promoter Group and the Selling Shareholders.

In addition to the above, the Company has been unable to trace in its own corporate records the shareholders' resolution, Form 23 and number and names of allottees for the 1,126,142 Equity Shares allotted on October 6, 2004, by it pursuant to the scheme of arrangement between Majestic Auto Limited and the Company and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004, read with orders dated May 29, 2004 and July 30, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003. Pursuant to the scheme, 1,126,142 Equity Shares of the Company were allotted to the public shareholders of Majestic Auto Limited, which at that time was a listed company. Accordingly, for the purposes of disclosure of the number of shareholders for the said allotment in this Red Herring Prospectus, we have relied on the annual report for Fiscal 2004 for Majestic Auto Limited. The annual report for Fiscal 2004 of Majestic Auto Limited specifies September 30, 2004 as the record date for taking the record of shareholders for allotment of equity shares of the Company pursuant to the scheme and specifies the total shareholders/folios as 5,192 as on the record date.

In relation to these missing records, we have also relied on the search report dated June 27, 2025 issued by Neelam Gupta, Company Secretaries, engaged by our Company, who have independently carried out their search/inspection of documents available in the digital records maintained on the Ministry of Corporate Affairs portal at www.mca.gov.in and carried out a physical search of the documents filed by the Company with the RoC Delhi at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019 and electronically with the RoC Chandigarh at 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh 160019, Punjab and viewed other records of the Company located at 10th KM stone, GT Road, Dujana, Dadri, Distt G B Nagar, Uttar Pradesh 203207. Based on these procedures, Neelam Gupta, practising company secretary, has certified on June 27, 2025 that the corporate records and forms, as set out above are not traceable at the offices of the RoC, or available on the MCA portal or at the offices of the Company. We have also submitted letter dated June 28, 2025 with the RoC and Registrar of Companies, Delhi and Haryana intimating them of such untraceable corporate records and form filings, mentioned above. For further information, see "*Material Contracts and Documents for Inspection*" on page 561. We cannot assure you that the abovementioned records will be available in the future. While no legal proceeding or regulatory action has been initiated against our Company in relation to such untraceable records as of the date of this Red Herring Prospectus, we cannot assure you that such proceedings will not be initiated against our Company in the future or that such records will be available to us in the future.

43. One of our Promoter Group entities, namely Nipman Fastener Industries Private Limited, is currently under the corporate insolvency resolution process under liquidation under the Insolvency and Bankruptcy Code, 2016. Additionally, insolvency proceedings have been initiated against one of our Promoter Group members, Priyanka Malhotra under the Insolvency and Bankruptcy Code, 2016.

The National Company Law Tribunal, New Delhi, Court III ("**NCLT**") admitted a petition filed under Section 9 of the Insolvency and Bankruptcy Code, 2016, ("**IBC**") against one of our Promoter Group entities, namely Nipman Fastener Industries Private Limited ("**Nipman**") and initiated the corporate insolvency resolution process ("**CIRP**") against Nipman. The NCLT also appointed and granted charge of Nipman's management to an interim resolution professional in this regard. Subsequently, the NCLT ordered the liquidation of Nipman and appointed Mr. Dharmendra Kumar as the liquidator (the "**Liquidator**"). Nipman is in default of payment of dues, including statutory dues, and of

loans availed from certain lenders. The liquidation proceedings against Nipman are pending as of the date of this Red Herring Prospectus. As a result, our Company has included the requisite confirmations and disclosures in relation to Nipman in this Red Herring Prospectus to ensure compliance with the disclosure requirements under the SEBI ICDR Regulations on the basis of certificate dated September 9, 2026 issued by the Liquidator in this regard. Additionally, insolvency proceedings have been initiated against Priyanka Malhotra, one of our Promoter Group members, under the Insolvency and Bankruptcy Code, 2016. However, such proceedings have not been admitted by the NCLT as of the date of this Red Herring Prospectus. We cannot assure you that any of our Promoter Group members will not be subject to insolvency proceedings in the future. Any such instances may adversely affect our reputation.

44. Certain of our Directors was on the board of directors of companies which were struck off in the past.

Pankaj Munjal, our Chairman and Non-Executive and Non-Independent Director and Kulbir Singh, our Non-Executive and Independent Director, has been on the board of directors of the companies whose names were struck off in the past by the relevant registrar of companies on account of, among others, non-filing of annual returns for three consecutive years. Set out below are the details of such companies:

Name of the Director	Name of the Company	Reason
Kulbir Singh	Banda Data Processors Private Limited	Voluntary strike-off
	Prem Narain Management Consultants Private Limited	Voluntary strike-off
	Citadel Corporate Services Private Limited	Non-filing of annual returns
	Persistent Sentinel India Private Limited	Non-filing of annual returns
Pankaj Munjal	Hero Associates Limited	Voluntary strike-off

While the aforementioned directors are eligible under the applicable law to serve on our Board, there can be no assurance that no further action will be taken against such Directors in the future.

45. The loss of certain independent certification and accreditation of our products and the manufacturing practices that we have adopted could harm our business.

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality in connection with the products we manufacture. For further information, see "*Our Business – Business Operations"* on page 271. Such specifications and standards of quality is an important factor in the success and acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products and manufacturing practices, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected. We could lose the certifications and accreditations for certain of our products and manufacturing practices if we are not able to adhere to the quality standards and specifications required under such certifications and accreditations While there have been no such instances where we had lost any of our accreditations and certifications in the last three Fiscals, however, we cannot assure you that no such instances will happen going forward. The loss of such independent certifications, accreditations, and manufacturing practices may lead to the loss of significant customers for our products, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

46. Our inability to accurately forecast demand for products that we manufacture and supply to our customers and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business depends on our estimate of the demand for our products that we manufacture and supply to our customers. While we maintain reasonable inventory, however, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. Further, if we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

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

Our operations are subject to various risks inherent in our industry including defects, malfunctions, and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. Our insurance covers, amongst others, marine import export policy, comprehensive general liability insurance, industrial all risk insurance policy, directors' and officers' insurance policy. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our manufacturing facilities in the countries where our manufacturing facilities are located. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. There are many events, other than the ones covered in the insurance policies specified above, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, cash flows, financial condition and results of operations could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While there has been no instance in the last three Fiscals where any event occurred where we experienced losses exceeding our insurance coverage, there is no assurance that such instance will not arise in the future.

The following table sets forth details of coverage of our coverage of insurable assets against the percentage of total insurable assets in the years indicated:

Particulars	As at / For the Year Fiscal 2026		As at / For the Year Fiscal 2025		As at / For the Year Fiscal 2024	
	Amount (₹ million)	Percentage of the Total Insurable Assets* (%)	Amount (₹ million)	Percentage of the Total Insurable Assets* (%)	Amount (₹ million)	Percentage of the Total Insurable Assets* (%)
Coverage of Insurable Assets	10,803.31	125.47%	9,471.04	124.81%	7,868.84	129.50%

**Insurable assets include gross block of property, plant and equipment excluding land, capital work in progress and inventories.*

While there has not been any instance of damage or loss of uninsured assets in the last three Fiscals which had an adverse impact on the Company's business and results of operations, any damage or loss to these uninsured assets due to unforeseen events such as natural disasters, accidents, thefts, or other incidents may impact our results of operations, cash flows and financial condition and result in significant monetary losses.

48. 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 is influenced by the currencies that we export in as well as by currencies of countries where we operate. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the US$, 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 foreign currency exposure in the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Foreign- Currency Receivables	1,040.52	8.76%	830.99	7.63%	390.34	3.67%
Foreign Currency Payables	(178.26)	(1.5)%	(320.06)	(2.94)%	(314.58)	(2.96)%
Total Foreign Currency Exposure	862.27	7.26%	510.93	4.69%	75.77	0.71%
Total of Foreign Currency Exposure (unhedged)	1,029.65	8.66%	737.23	6.77%	370.20	3.48%

We generally assess our foreign exchange risks on a case to case basis. While we hedge our foreign currency exchange risk in case of our external commercial borrowings, we cannot assure you that our measures will adequately protect our business operations, financial conditions, results of operations and cash flows from the full effects of exchange rate fluctuations. Failure to hedge effectively against exchange rate fluctuations may adversely affect our business operations, financial conditions, results of operations and cash flows. While there has not been any instance in the three Fiscals wherein failure of hedging foreign exchange risks had a material impact on the financials of our Company, there is no assurance that such instance will not arise in the future.

Further, the table below sets forth details of our foreign exchange fluctuation gain and foreign exchange fluctuation loss and gain/(loss) foreign exchange variation (net) as a percentage of our revenue from operations in the years indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from Operations	Amount (₹ million)	Percentage of Revenue from Operations	Amount (₹ million)	Percentage of Revenue from Operations
Foreign exchange fluctuation gain (₹ million)	191.33	1.61%	120.49	1.11%	24.61	0.23%
Foreign exchange fluctuation loss (₹ million)	1.54	0.01%	-	-	29.81	0.28%
Gain/(loss) on Foreign Exchange Variation (net) (₹ million)	189.79	1.60%	120.49	1.11%	(5.20)	(0.05)%

49. We have certain contingent liabilities that have been disclosed in our financial statements, which if they materialize, may adversely affect our results of operations, cash flows and financial condition.

As of March 31, 2026, March 31, 2025 and March 31, 2024, contingent liabilities that have not been accounted for in our Restated Consolidated Financial Information are as follows:

Particulars	As of March 31, 2026	As of March 31, 2025	As of March 31, 2024
	(₹ million)		
Sales tax demand	-	-	-
Legal cases of labour pending before labour court	9.89	9.89	9.23
H M Customs and Excise Duty Deferment Bond	-	-	-
Claims against the Company not acknowledged as debt	2.33	3.93	3.93
Bank guarantee	21.08	20.74	32.82
Direct Taxation – Income Tax	1.63	-	-

For more details, please see "*Outstanding litigation and material developments – Material tax matters involving our Company*" on page 485.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. Furthermore, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. For further information of contingent liability as of March 31, 2026, see "*Restated Consolidated Financial Information – Note 43 - Contingent Liabilities*" on page 415.

50. We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the ordinary course of business. These transactions include sale and purchase of goods, consultancy fees, purchase of service, loan received and paid, issue of share capital, purchase of securities, other income, royalty income, interest paid, reimbursement of expenses, purchase of property, plant and equipment, rental expenses / payable, lease liability for ROU assets, other expense, rent received, remuneration paid to KMPs and director sitting fees. Set forth below are details of our related party transactions in each of the corresponding years:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Sum aggregate of related party transactions	1,186.83	9.99%	1,045.25	9.59%	1,474.07	13.85%

While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, all related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you they will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Two of our Senior Management Personnel, namely Anil Rathi, the chief operating officer of bike powertrain business of our Company, and Chandra Shekhar Mittal, chief operating officer of gear & transmission business of our Company, have also availed loans from our Company which amounted to ₹ 9.00 million and ₹ 13.00 million, respectively, as of July 31, 2026. For further information on our related party transactions, see "*Restated Consolidated Financial Information – Related party disclosure – Note 44"* on page 415.

51. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and cash flows.

Our operations may be subject to incidents of theft or damage to inventory in transit. We may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While there has been no instance of fraud, theft or employee negligence which we have experienced in the last three Fiscals which had an adverse effect on our business operations, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations, cash flows and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations, cash flows and financial condition.

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

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. The table below provides details of our permanent employees in various jurisdictions as of March 31, 2026, March 31, 2025, and March 31, 2024:

S. No.	Jurisdiction	Number of Permanent Employees		
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
1.	India	1,257	1,386	1,344
2.	Thailand	19	24	21
3.	United Kingdom	112	122	119

The following table sets forth the attrition rate in the years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Total number of employees	1,388	1,532	1,484
Number of employees exited	324	310	214
Attrition rate*	22.24%	20.56%	14.42%

* *Attrition rate is calculated as overall exits including retired employees divided by average number of employees in the relevant year.*

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 of any disruptions in work due to disputes or other problems with our work force, we could experience disruptions in work due to disputes or other problems with our work force in future, which may adversely affect our ability to perform our business operations. We have also entered into settlement agreements with the trade unions at our Mangli Facility and G. B. Nagar Facility dated November 16, 2019 and October 22, 2021, respectively pursuant to which mutual settlements were made and agreed between the trade unions and our Company. For more details regarding the disputes with respect to payment of bonus and permanent injunction against the strike by the labours of our Company, please see, "*Outstanding Litigation and Material Developments- Litigation by our Company-Material Civil Litigation*" on page 482.

53. We engage contract labour for carrying out certain of our operations and we are responsible for paying the wages of such workers. If the independent contractors through whom such workers are hired default on their obligations, this could have an adverse effect on our results of operations and financial condition

We also appoint independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As on March 31, 2026, we had engaged 707 contract labourers. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial conditions, cash flows and results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, cash flows and results of operations.

Further, work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, cash flows and results of operations. While there has been no instance in the last three Fiscals where we experienced work stoppages due to strikes or labour unrest that resulted in closure of our operations, there is no assurance that we may not experience any such events in the future.

54. Technology failures could disrupt our operations and adversely affect our business operations and financial performance.

IT systems are critical to our ability to manage our manufacturing process, inventory management, financial management, data handling and supply chain management, to maximize efficiencies and optimize costs. Our IT

systems enable us to coordinate our operations, from automated manufacturing to logistics and transport, invoicing, customer relationship management and decision support. The table below sets forth details relating to the cost incurred towards technology in the years indicated:

Fiscal 2026		Fiscal 2025		Fiscal 2024	
Cost incurred towards technology (₹ million)	**Percentage of Revenue from Operations (%)**	**Cost incurred towards technology (₹ million)**	**Percentage of Revenue from Operations (%)**	**Cost incurred towards technology (₹ million)**	**Percentage of Revenue from Operations (%)**
71.91	0.61%	66.59	0.61%	104.89	0.99%

While there has been no instance in the last three Fiscals where we experienced technology failure which had an adverse impact on our business operations, there is no assurance that such instance will not arise in the future.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors and processing inefficiencies. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, disruptions and, in some instances, loss of consumers. Our IT systems and the systems of our third-party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Although we have security initiatives in place to mitigate its risk to these vulnerabilities, such measures may not have been effectively implemented or may not be adequate to ensure that its operations are not disrupted.

55. We import machinery and raw materials from foreign countries and the same is subject to certain risks which may adversely affect our business, results of operations, financial condition and cash flows.

We import machinery and raw materials from foreign countries to support our operations. In the past, we have imported machinery from certain countries including European Union, Japan and Taiwan and raw materials from countries such as South Korea, Singapore, China, United Kingdom and Estonia. However, importing machinery and raw materials entails several risks and challenges that could adversely affect our business, results of operations, financial condition and cash flows. For example, changes in government policies or trade agreements could lead to increased tariffs or import restrictions, resulting in higher costs or difficulties in importing machinery and raw materials which could lead to a delay in our operations, impact our production schedules and overall business operations.

The table below sets forth our cost of raw materials sourced domestically and outside India for the relevant Fiscals:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Purchases of Raw Materials (₹ million)	**Percentage of Total Purchases of Raw Materials (%)**	**Purchases of Raw Materials (₹ million)**	**Percentage of Total Purchases of Raw Materials (%)**	**Purchases of Raw Materials (₹ million)**	**Percentage of Total Purchases of Raw Materials (%)**
India	6,322.82	93.92%	5,870.45	94.59%	5,859.37	95.08%
Outside India	409.61	6.08%	335.73	5.41%	303.17	4.92%
Total Purchases	**6,732.43**	**100.00%**	**6,206.18**	**100.00%**	**6,162.54**	**100.00%**

Furthermore, political, economic, or logistical disruptions in the country of origin could also lead to delays in delivery, interruptions in the supply chain, or challenges in obtaining technical support or raw materials which could impact our production schedules or result in a loss of business opportunities. Any of these risks could disrupt our operations, and ultimately, adversely affect our business, results of operations, financial condition and cash flows. While there has not been any instance in the last three Fiscals where we experienced a delay in receiving equipment, plant and machinery or raw materials necessary for our operations, there is no assurance that such an instance will not arise in the future.

56. Uncertain and lengthy vendor selection process with our customers may have an adverse impact on our business, cash flows, financial conditions and results of operations.

We undergo through a vendor selection process with our customers, which can take up to two (2) years from the date of issue of a request for quote ("**RFQ**") to secure business. During this process, we are required to submit a technical proposal that includes product features, performance specifications, proposed development timeline, product validation plan, performance and durability expectations. We are also 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 receive firm orders. This vendor selection process is both lengthy and costly. While there has been no instance in the last three Fiscals where any of our prototypes did not translate into firm orders, we cannot assure you that such instances will not happen going forward. If we fail to convert the RFQ process into firm orders, we may not recover these costs. Additionally, there is no assurance that we will be successful in securing new customer relationships or that these relationships will result in long-term business. The uncertain and lengthy vendor selection process could adversely impact our business, cash flows, financial conditions and results of operations.

57. Information relating to our annual installed capacity, annual average available capacity, actual production and the 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.

The information relating to the annual installed capacity, average annual available capacity, actual production and capacity utilisation of our manufacturing facilities included in this Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer in the calculation of our capacity. As we are diversified between Powertrain Solutions & Alloy & Metallics segments, capacity assessment has been done in the following manner:

- All manufacturing facilities operate on 300 working days basis except UK Facility, Thailand Facility and HYM Facility, operating on 247 working days on full financial year basis.
- For all manufacturing facilities to calculate annual average available capacity, 3 shifts of operations is considered.
- Start of production date for new plant / new production line is factored while calculating annual average available capacity, actual production and consequent capacity utilization.
- Spur Facility, has six major lines of production, i.e., alloy rim line which started operations from June 2022, fork line which started operations from November 2022, two engine guard lines which started operations from May 2024 and October 2024 respectively, handlebar line which started operations from August 2024 and pedal gear change line which started operations from August 2024. Accordingly, annual average available capacity and actual production reflects production from the date of operations.
- Thailand Facility started operations from October 2023 and accordingly annual average available capacity and actual production reflects production from the date of operations.

Start of production date for new plant / new production line is factored while calculating annual average available capacity, actual production and consequent capacity utilization.

In addition, Hero EDU designs integrated systems and sources these components used in e-bike such as motor, controller, battery, charger, and sensor amongst others, which are then supplied to relevant OEMs who assemble these components into the final products at their relevant facilities. Considering that the Hero EDU is not primarily engaged in manufacturing of components, it is not possible to calculate the installed capacity, annual average available capacity, actual production and capacity utilization for any of the years.

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

Please see below segment wise capacity utilisation for the last three Fiscals:

Products			
	March 31, 2026	**March 31, 2025**	**March 31, 2024**
	Capacity Utilization (%) [(1)]	**Capacity Utilization (%) [(1)]**	**Capacity Utilization (%) [(1)]**
GB Nagar Facility			
Powertrain	88.25%	82.83%	85.17%
Sheet Metal	74.99%	74.39%	73.72%
Total (A)	**78.53%**	**76.61%**	**76.43%**
Mangli Facility			
Powertrain	-	-	-
Alloy & Metal	83.34%	75.47%	76.01%
Total (B)	**83.34%**	**75.47%**	**76.01%**
HYM Facility			
Powertrain	14.56%	5.90%	2.11%
Alloy & Metal	-	-	-
Total (C)	**14.56%**	**5.90%**	**2.11%**
Thailand Facility			
Powertrain	3.87%	7.45%	11.96%
Alloy & Metal		-	-
Total (D)	**3.87%**	**7.45%**	**11.96%**
UK Facility			
Powertrain	24.19%	31.25%	26.16%
Alloy & Metal			-
Total (E)	**24.19%**	**31.25%**	**26.16%**
Spur Facility			
Powertrain	-	-	-
Alloy & Metal	50.29%	45.43%	14.72%
Total (F)	**50.29%**	**45.43%**	**14.72%**
TOTAL (A+B+C+D +E+F)	**72.71%**	**71.96%**	**72.40%**

* *As certified by Deba Engineers & Consultants, independent chartered engineer, by certificate dated August 28, 2026.*

(1) Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the annual available capacity during such Fiscal.

For information regarding capacity of our manufacturing facilities, see "*Our Business – Installed Capacity, Annual Average Available Capacity, Actual Production and Capacity Utilisation*" on page 51.

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

Our ability to maintain our profitability depends, among other factors, on our ability to optimize the product mix to support high-efficiency products with higher margins with consistent long-term demand; and the demand and supply balance of our products in our existing and target markets. In particular, the level of our capacity utilization can impact our operating results. The changes in demand for our products could reduce our ability to accurately estimate future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a mismatch of capacity and capacity utilization. Any such mismatch leading to under-utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows. For example, capacity utilization of our HYM facility was 14.56% and 5.90% while Spur facility was 50.29% and 45.43%% in Fiscal 2026 and 2025 on account of subdued demand for the products it manufacturers for the customers.

For further information, see "*Our Business – Business Operations – Manufacturing Facilities - Installed Capacity, Annual Average Available Capacity, Actual Production and Capacity Utilisation*" on page 275. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

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

As on the date of this Red Herring Prospectus, our Promoters and members of the Promoter Group collectively held 84.67% of the paid-up equity share capital of our Company on a fully diluted basis. For further information on their shareholding pre and post-Offer, see "*Capital Structure – History of the equity share capital held by our Promoters – Shareholding of our Promoters and Promoter Group*" on page 94. After the completion of the Offer, our Promoters along with the members of Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. While our Promotors shall not act in a manner which shall be detrimental to the interests of the minority shareholders, we cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in our Company, please see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 315 and 336, respectively.

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

We have availed the services of an independent third-party research agency, CRISIL Intelligence, appointed by our Company pursuant to an engagement letter dated December 20, 2024, read with engagement letter dated July 16, 2026, to prepare an industry report titled "*Industry assessment – Powertrain Solutions and Alloys & Metallics Components*" dated August 2026, for purposes of inclusion of such information in this Red Herring Prospectus to understand the industry in which we operate. For further details, see "*Industry Overview*" on page 148. Our Company, our Promoters, our Directors, Key Managerial Personnel and Senior Management are not related to CRISIL Intelligence. The CRISIL Report has been commissioned by our Company exclusively in connection with the Offer for a fee. This CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective

investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

61. We have entered into a joint venture agreement between Vermogensverwaltung Plettenberg GmbH and CO KG along with its group companies ("STP Group"), to establish our subsidiary MSIPL under which STP Group holds 49% of the share capital of MSIPL.

Our Company entered into a joint venture agreement between Vermogensverwaltung Plettenberg GmbH and CO KG along with its group companies ("**STP Group**") dated March 7, 2025 to develop, manufacture and sell forging components for the automotive sector and such other components, pursuant to which our Subsidiary, MSIPL was incorporated. Our Company will support MSIPL by securing business primarily through its Indian customers, while the STP Group will utilise its European and American customer base to provide support. The STP Group is an indirect shareholder of MSIPL as the shares of MSIPL are held by High Precision Components International GmbH, a wholly owned subsidiary of Vermogensverwaltung Plettenberg GmbH. As per the terms of the joint venture agreement STP Group will hold 49% of the share capital of MSIPL. As STP Group will hold 49% of the share capital of MSIPL, our Company will not have full ownership and may be required to seek alignment with STP Group on key strategic and operational matters. This shared control structure could lead to potential disagreements or delays in decision-making, which may adversely impact the functioning and growth of MSIPL. Any such disagreements could have an adverse impact on our financial condition, results of operations and business prospects.

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

The cost and availability of capital depends on our credit ratings. The following table sets forth our details of credit rating received in the past three Fiscals:

Rating Agency	Instruments	Credit Rating	Date
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable Short term - CRISIL A1 (Reaffirmed)	April 24, 2023
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	April 5, 2024
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	December 11, 2024
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	July 2, 2025
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	August 24, 2026

Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

While we have not experienced downgrading in our credit ratings received recently, including in the last three Fiscals, any downgrade in our credit ratings or our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

63. We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.

We have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively. Our technical know-how has been derived from the past experience of our key employees and management team as well as our research and development efforts. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. Although we have not experienced any such leaks in the last three Financial Years, we cannot assure you that any of our proprietary knowledge may not be leaked inadvertently in the future. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive, or impossible for us to obtain necessary legal protection. While there has been no such instances where any of our confidential information was leaked during the last three Fiscals, we cannot assure you that no such instances will happen in future. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows, and/or prospects.

64. A portion of the Net Proceeds may be utilized for repayment or pre-payment of certain loans availed by our Company from ICICI Bank Limited which is an affiliate of ICICI Securities Limited, one of the BRLMs.

We propose to repay or pre-pay certain loans availed by our Company from ICICI Bank Limited from the Net Proceeds. ICICI Bank Limited is the parent entity of ICICI Securities Limited, one of our Book Running Lead Managers and is not an associate of our Company or Subsidiaries in terms of the SEBI Merchant Bankers Regulations. The loans sanctioned to our Company by ICICI Bank Limited was done as part of their lending activities in the ordinary course of business and we believe that there is no conflict of interest under the SEBI Merchant Bankers Regulations, or any other applicable SEBI rules or regulations. The Board of Directors of our Company have chosen the loan and facilities to be repaid/prepaid based on commercial considerations. For further details, see "*Objects of the Offer*" beginning on page 114.

65. We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the powertrains industry, alloys and metallics and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors, and others to evaluate the operational performance of powertrains manufacturers, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Red Herring Prospectus.

These non-GAAP financial measures and such other industry related 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 industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 450.

66. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.

We have, in the last 12 months prior to filing this Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For further details, see "*Capital Structure – Notes to Capital Structure – Issue of Equity Shares or preference shares at a price lower than the Offer Price in the last one year*" on page 89.

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

While we have declared final dividend in Fiscal 2025, however, any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in the future consistent with our past practices, or at all. For details pertaining to dividends declared by our Company in the past, see "*Dividend Policy*" on page 346.

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

Our Restated Consolidated Financial Information for Fiscals 2026, 2025 and 2024, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP, and other accounting principles with which prospective investors may be familiar with in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

External Risk Factors

69. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally including adverse geopolitical conditions. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize: political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control; instability in other countries and adverse changes in geopolitical situations; change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular; strikes, lock-outs, work stoppages or increased wage demands by employees, or vendors; civil unrest, acts of violence, terrorist attacks, regional conflicts or war; instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries; a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy; macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs; high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins; and any other significant regulatory or economic developments in or affecting India or our regional markets.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate. Moreover, we are dependent on the various policies, initiatives and schemes proposed or implemented in India, however, there can be no assurance that such policies, initiatives and schemes will yield the desired results or benefits which we anticipate and rely upon for our growth.

70. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could adversely affect our business.

Natural disasters (such as typhoons, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, and results of operations. Developments in the ongoing conflict between Russia and Ukraine and the Israel and Palestine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Further, ongoing geopolitical developments, including conflicts and tensions involving the United States, Israel and Iran, as well as instability in parts of the Middle East and other regions, may continue to create uncertainty in global economic and market conditions. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could create a perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus and the monkeypox virus. Another outbreak of the COVID-19 pandemic or future outbreaks of SARS-CoV-2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have an adverse effect on our business and the trading price of the Equity Shares.

71. A downgrade in sovereign credit rating of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to sovereign credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Competition Act, 2002 ("**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central 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 CCI. In addition, on May 11, 2011, the CCI issued the 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 (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia,* modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial 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 by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows, and prospects.

73. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. 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 vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. These developments, or the perception that any of them could occur, have had and may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have an adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

74. Changing laws, rules or regulations and legal uncertainties in India, including adverse application of taxation laws and regulations, may adversely affect our business, results of operations, financial condition and cash flows.

The regulatory and policy environment in which we operate is evolving and is subject to change. Unfavorable 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.

Further, any future amendments may affect our tax benefits such as deductions for income earned by way of dividend from investments in other domestic companies. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. For further discussion on capital gains tax, see " - *Investors may be subject to Indian taxes arising out of capital gains on the sale of and dividend on the Equity Shares.*" on page 61.

We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules and regulations applicable to us and our business. Unfavorable 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, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and expend resources relating to compliance with such new requirements, which may also require significant management time, 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 impact the viability of our current business or restrict our ability to grow our business in the future.

In 2019 and 2020, the Government of India passed new laws relating to social security, occupational safety, industrial relations, and wages, namely the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020, and the Code on Wages, 2019 (collectively, the "**Labor Codes**"). On November 21, 2025, the Government notified the Labor Codes as effective and, by the same notification, repealed 29 existing central labour laws that stood subsumed by the Labor Codes, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948, and the Industrial Disputes Act, 1947, among others. Implementation is proceeding in phases wherein Central Rules under the Labor Codes were notified on May 8, 2026, and full operationalization remains contingent on the notification of corresponding rules by the respective State Governments, since labour is a concurrent subject under the Constitution of India separately, a three-phased, enterprise-size-based compliance timeline has been contemplated for certain of the Labor Codes, under which large establishments would be expected to comply first, followed by mid-sized and then smaller establishments in subsequent years. The implementation of the Labor Codes and the repeal of the previously existing laws is likely to result in changes to the regulatory framework governing our operations, including, but not limited to, employee benefits, social security contributions, and working conditions, which could increase the financial burden on our Company and could adversely impact our business, financial condition, cash flows, results of operations and prospects

The Digital Personal Data Protection Act, 2023 (the "**DPDP Act**"), which received presidential assent on August 11, 2023, provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides several exemptions for personal data processing by various central government and state or union territory authorities. The DPDP Act has since been notified and the Ministry of Electronics and Information Technology, Government of India has promulgated the Digital Personal Data Protection Rules, 2025 (the "**DPDP Rules**"), notified on November 13, 2025. The DPDP Rules establish operational aspects of the personal data protection framework, including manner of consent notice, form and manner of reporting data breaches to the supervisory authority, manner of obtaining verifiable consent, obligations of significant data fiduciaries, obligations of consent manager, and establishment of a "Data Protection Board".

Further, the GoI announced the Union Budget for Fiscal 2027, pursuant to which the Finance Act, 2026 has been enacted. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Additionally, the Government of India has recently enacted the Income-tax Act, 2025("ITA 2025") and Income-tax Rules,2026, to repeal and replace the Income-tax Act, 1961 and Income-tax Rules, 1962 respectively with effect from April1, 2026. While the Government of India has stated that ITA 2025 does not introduce any policy changes and has primarily been enacted as a simplified, concise, and reader-friendly legislation, we cannot predict whether such the transition may create interpretive uncertainty and require changes to our systems, controls, contracts and processes in India. Failure to implement timely changes or accurately comply with could result in higher tax liabilities, cash flow timing impacts from withholding, interest and penalties, increased administrative costs, and disputes

Further, on July 1, 2024, the Government implemented The Bharatiya Nyaya Sanhita, 2023, Bharatiya Nagrik Suraksha Sanhita, 2023 and Bhartiya Sakshya Adhiniyam, 2023, which have replaced the Indian Penal Code, 1860, Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses 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 adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our 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.

76. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

There can be no assurance that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

Risks Relating to the Equity Shares and this Offer

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

Our revenue from operations for Fiscal 2026 was ₹ 11,883.51 million. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations at the upper end of the Price Band:

Particulars	Price to Earnings Ratio*	Market Capitalization to Revenue*
Fiscal 2026	[●]	[●]

* *To be populated at Prospectus stage.*

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section "*Basis for the Offer Price*" on page 126 and the Offer Price, multiples and ratios may not be indicative of the market price of our Company on listing or thereafter.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the pump industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, 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. As a result, 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. Further, the market price of the Equity Shares may decline below the Offer Price.

78. The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholders may be lower than the Offer Price.

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

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (₹)
Promoters		
O P Munjal Holdings[**^]	273,123,055	0.03[#]
Pankaj Munjal	9,400,436	0.04
Charu Munjal	942,425	0.03[#]
Abhishek Munjal	706,210	0.03[#]
Selling Shareholders (Other than Promoter Selling Shareholder)		
Hero Cycles Limited[+]	7,752,750	10.07

^ *Also a Promoter Selling Shareholder.*

[#] *The average cost is ₹0.027 per Equity Share and has been rounded to ₹0.03.*

[*] *As certified by Ramesh C Agrawal & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2026.*

[+] *Also a member of Promoter Group*

[**] *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders, see "*Capital Structure – Weighted average cost of acquisition of all Equity Shares held by our Promoters and Selling Shareholders as on the date of this Red Herring Prospectus and acquired in the last one year preceding the date of this Red Herring Prospectus*" on page 106.

79. The trading volume and market price of the Equity Shares may be volatile following 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. 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 Managers through the book building process. This may not be indicative of the market price for the Equity Shares after the Offer. For further details, please see "*Basis for Offer Price*" on page 126.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control: quarterly variations in our results of operations; results of operations that vary from the expectations of securities 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; a change in research analysts' recommendations; 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; new laws and governmental regulations applicable to our industry; additions or departures of key management personnel; changes in exchange rates; fluctuations in stock market prices and volume; and general economic, market and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

80. 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 the Stock Exchanges, in the past, have introduced various pre-emptive surveillance measures with respect to the shares of listed companies in India (the "**Listed Securities**") in order to enhance market integrity, safeguard the interests of investors and potential market abuses. In addition to various surveillance measures already implemented, and in order to further safeguard the interest of investors, the SEBI and the Stock Exchanges have introduced additional surveillance measures ("**ASM**") and graded surveillance measures ("**GSM**").

ASM is conducted by the Stock Exchanges on Listed Securities with surveillance concerns based on certain objective parameters such as share price, price-to-earnings ratio, percentage of delivery, client concentration, variation in volume of shares and volatility of shares, among other things. GSM is conducted by the Stock Exchanges on Listed Securities where their price quoted on the Stock Exchanges is not commensurate with, among other things, the financial performance and financial condition measures such as earnings, book value, fixed assets, net-worth, other measures such as price-to-earnings multiple and market capitalization and overall financial position of the concerned listed company, the Listed Securities of which are subject to GSM.

For further details in relation to the ASM and GSM Surveillance Measures, including criteria for shortlisting and review of Listed Securities, exemptions from shortlisting and frequently asked questions (FAQs), among other details, refer to the websites of the NSE and the BSE.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off,

limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company. Any such instance may result in a loss of our reputation and diversion of our management's attention and may also decrease the market price of our Equity Shares which could cause you to lose some or all of your investment.

81. Investors may be subject to Indian taxes arising out of capital gains on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of equity shares (unless exempted) and such STT is collected by an Indian stock exchange on which equity shares are sold. You may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Finance Act, 2020 had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain 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 certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act, 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company and such dividends were generally exempt from tax in the hands of the shareholders. However, the government of India has amended the IT Act to abolish the DDT regime. Under the extant provisions, any dividend distributed by a domestic company is subject to tax in the hands of the concerned shareholder at the applicable rates. Additionally, the company distributing dividends is required to withhold tax on such payments at the applicable rate. However, non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions.

Further, the Government of India has announced the union budget for Fiscal 2025, pursuant to which the Finance Act, 2025, came into force on April 1, 2025 which has introduced various amendments to the IT Act. 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.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through the exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders, after the completion of this Offer, including by our major shareholders after the completion of this Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations), or any other change in our shareholding structure to comply with 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 an offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

83. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be

required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Instrument Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Subsequently, pursuant to Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the Consolidated FDI Policy has been further amended to, inter alia, define the expression "beneficial owner" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold, directly or indirectly, individually or cumulatively, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. The Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026 dated May 1, 2026, and in effect from the date of publication, May 2, 2026, has been enacted to give effect to the Press Note No. 2 (2026 Series).

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 532.

84. 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 BRLMs is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 126 and the Offer Price determined by the Book Building Process may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the book running lead managers (during the current financial and two financial year preceding the current financial year*" on page 498. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, 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.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional 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. Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their Bids. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares

even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before 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 voting on such resolution.

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

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

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the 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 the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares[(1)(2)(4)]		Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹10,000.00 million
of which:		
i.	Fresh Issue[(1)(4)]	Up to [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹6,000.00 million
ii.	Offer for Sale[(1)]	Up to [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹4,000.00 million
The Offer comprises of:		
A)	QIB Portion[(3)]	Not more than [●] Equity Shares of face value of ₹ 10 each
	of which:	
	Anchor Investor Portion[(3)]	Up to [●] Equity Shares of face value of ₹ 10 each
i.	40% of which shall be reserved as under:	
	33.33% for domestic Mutual Funds; and	Up to [●] Equity Shares of face value of ₹ 10 each
	6.67% for Life Insurance Companies and Pension Funds	Up to [●] Equity Shares of face value of ₹ 10 each
ii.	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 10 each
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to[●] Equity Shares of face value of ₹ 10 each
	Balance of the Net QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 10 each
B)	Non-Institutional Portion[(4)]	Not less than [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million
	Of which	
	One-third available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value of ₹ 10 each
	Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares of face value of ₹ 10 each
C)	Retail Portion[(5)]	Not less than [●] Equity Shares of face value of ₹ 10 each
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer as on the date of this Red Herring Prospectus		382,787,005 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Offer		[●] Equity Shares of face value of ₹ 10 each
Use of Net Proceeds by our Company		See "*Objects of the Offer*" on page 114 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on February 17, 2025 and August 28, 2026, and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on March 12, 2025. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 28, 2026. Each Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The details of such authorisations are provided below:*

Name of the Selling Shareholder	*Maximum number/amount of Equity Shares offered in the Offer for Sale*	*Date of board resolution/ authorization letter*	*Date of consent letter*
Promoter Selling Shareholder			
*O P Munjal Holdings**	*₹ 3,950.00 million*	*January 10*, 2025	*August 27, 2026*
Promoter Group Selling Shareholder			
Hero Cycles Limited	*₹ 50.00 million*	*March 7, 2025*	*August 27, 2026*

**Shares held by Pankaj Munjal on behalf of OP Munjal Holdings.*

(2) *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 Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories of Bidders. In the event of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon achieving (i) above, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue. For further details, see "Terms of the Offer" on page 504.*

(3) *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. Further, 40% of the Anchor Investor Portion shall be reserved as follows(i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from the domestic Mutual Funds and Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price. Any under-subscription in the portion amounting to 6.67% reserved for Life Insurance Companies and Pension Funds may be allocated to domestic Mutual Funds. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 513.*

(4) *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 allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

(5) *Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 513.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders 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. 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 the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 510, 504 and 513, respectively.

For further details of the terms of the Offer, see "*Terms of the Offer*" on page 504.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide summary of financial information of our Company derived from the Restated Consolidated Financial Information.

*The summary of financial information presented below should be read in conjunction with "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page*s 347 *and 446, respectively.*

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

SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

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

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	5,273.09	4,953.70	3,603.06
Right-of-use assets	826.70	298.60	354.75
Capital work in progress	666.49	380.99	596.03
Goodwill	79.73	79.73	79.73
Other Intangible assets	260.74	145.33	52.52
Intangible assets under development	283.26	286.35	180.06
Financial assets			
(i) Investments	30.02	30.02	15.62
(ii) Loans	17.00	13.63	13.11
(iii) Other financial assets	49.05	49.76	73.91
Deferred tax asset (net)	55.92	21.44	4.17
Non-current tax assets (net)	50.32	125.39	90.46
Other non-current assets	66.93	105.83	174.17
Total non-current assets	7,659.25	6,490.77	5,237.59
Current assets			
Inventories	2,085.13	1,912.57	1,798.98
Financial assets	0.00	0.00	0.00
(i) Investments	23.10	21.61	66.76
(ii) Trade receivables	2,529.02	2,023.31	1,947.87
(iii) Cash and cash equivalents	223.92	94.48	422.61
(iv) Bank balances other than (iii) above	200.00	383.10	460.00
(v) Loans	9.72	11.14	6.02
(vi) Other financial assets	331.31	320.59	201.75
Other current assets	656.83	388.63	456.97
Total current assets	6,059.03	5,155.43	5,360.96
Total assets	13,718.28	11,646.20	10,598.55
Equity and Liabilities			
Equity			
Equity share capital	3,583.36	3,573.84	3,535.78
Other equity	1,163.20	677.06	322.61
Total equity attributable to owners of the Parent	4,746.56	4,250.90	3,858.39
Non-controlling interests	63.52	9.18	(110.23)
Total equity	4,810.08	4,260.08	3,748.16
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	987.69	1,233.69	817.53
(ii) Lease liabilities	650.99	181.32	233.30
(iii) Others financial liabilities	81.28	81.37	47.08
(b) Provisions	565.64	595.66	736.47
(c) Deferred tax liabilities (net)	177.41	139.32	105.99
Total non-current liabilities	2,463.01	2,231.36	1,940.37
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3,020.20	2,842.53	2,222.45
(ii) Lease liabilities	47.30	58.85	66.63
(iii) Trade payables			
- Total outstanding due of micro enterprises and small enterprises	276.49	231.22	171.71
- Total outstanding due of creditors other than micro enterprises and small enterprises	1,126.97	1,140.85	1,190.76
(iii) Other financial liabilities	1,696.10	648.58	1,019.53
(b) Other current liabilities	184.68	153.00	218.53
(c) Provisions	93.45	79.73	20.41
Total current liabilities	6,445.19	5,154.76	4,910.02
Total equity and liabilities	**13,718.28**	**11,646.20**	**10,598.55**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

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

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Income			
Revenue from operations (I)	11,883.51	10,895.93	10,643.86
Other income (II)	283.91	216.40	190.33
Total income (III=I+II)	12,167.42	11,112.33	10,834.19
Expenses			
Cost of materials consumed	6,535.02	6,304.43	6,404.49
Purchases of stock-in-trade	277.14	76.57	0.00
Changes in inventories of finished goods, work in progress, and stock in trade	116.72	(6.69)	45.67
Employee benefits expense	1,645.08	1,711.38	1,773.67
Finance costs	408.38	369.84	334.13
Depreciation and amortisation expenses	459.40	379.44	285.51
Other expenses	2,096.05	1,886.60	1,747.60
Total expenses (IV)	**11,537.79**	**10,721.57**	**10,591.07**
Restated profit before exceptional items and tax (V)	**629.63**	**390.76**	**243.12**
Exceptional Items (VI)	19.59	0.00	0.00
Restated profit before tax (VII = V+/-VI)	**610.04**	**390.76**	**243.12**
Tax expense (VIII):			
(a) Current tax	214.37	77.43	12.46
(b) Deferred tax	(16.01)	(14.63)	60.31
Total tax expense	**198.36**	**62.80**	**72.77**
Restated profit for the period/year (IX= VII-VIII)*	**411.68**	**327.96**	**170.35**
Restated other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Re-measurement losses/gains on defined benefit plans	78.52	122.77	(48.81)
(ii) Income tax on items that will not be reclassified to profit or loss	(19.62)	(30.68)	(2.36)
(i) Items that will be reclassified to of profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations	13.26	3.00	(42.37)
Restated other comprehensive income for the year, (net of tax)	**72.16**	**95.09**	**(93.54)**
Total comprehensive income for the period / year, (net of tax)	**483.84**	**423.05**	**76.81**
Restated profit for the year attributable to:			
Equity holder of parent	435.68	252.02	134.17
Non-controlling interest	(24.00)	75.94	36.18
	411.68	327.96	170.35
Restated other comprehensive income for the year attributable to:			
Equity holder of parent	53.43	53.39	(60.27)
Non-controlling interest	18.73	41.70	(33.27)
	72.16	95.09	(93.54)
Restated total comprehensive income for the year attributable to:			
Equity holder of parent	489.11	305.41	73.90
Non-controlling interest	(5.27)	117.64	2.91
	483.84	**423.05**	**76.81**

* *The restated profit for the year is including the pre-tax non cash share based payment of ₹394.62 million in Fiscal 2024.*

SUMMARY OF RESTATED STATEMENT OF CASH FLOW

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

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cash flows from operating activities			
Restated profit before tax	610.04	390.76	243.12
Adjustments for:			
Depreciation and amortization	459.40	379.44	285.51
Finance costs	338.41	304.95	230.01
Other borrowing costs	69.97	64.89	104.12
Net Foreign currency translation	13.26	3.00	(42.37)
Provision/sundry balances written back	(1.91)	(20.03)	(30.01)
Allowance for expected credit loss	0.43	-	-
Unrealized foreign exchange loss	(156.21)	(13.27)	8.51
Loss/(profit) on sale of property plant equipment	(1.61)	(1.15)	(1.08)
Exceptional items	-	-	-
Share based payment reserves	105.03	148.17	394.62
Other non operating Income	(0.02)	(0.90)	(0.30)
Gain on termination on lease	(8.04)	-	(10.51)
Mark to market gain on forward contract	(8.49)	(2.68)	(3.26)
Profit on sale / fair valuation of mutual fund	(1.50)	(4.92)	(8.73)
Interest income	(39.94)	(47.43)	(96.76)
Operating cash flow before working capital changes	**1,378.82**	**1,200.83**	**1,072.87**
Working Capital adjustments:			
(Increase) / decrease in trade receivables	(454.46)	(60.53)	555.53
(Increase) / decrease in inventories	(172.56)	(113.59)	158.95
(Increase) / decrease in other financial assets	(6.75)	(105.56)	193.43
(Increase) / decrease in other assets	(246.08)	46.39	(234.56)
Increase / (decrease) in trade payables	29.81	28.54	(92.61)
Increase / (decrease) in other financial liabilities	957.03	(376.04)	(304.96)
Increase / (decrease) in provisions	62.22	41.28	(3.15)
Increase in other liabilities	31.68	(65.54)	67.58
Cash generated from operations	**1,579.71**	**595.78**	**1,413.08**
Income tax paid (net of refunds)	(139.29)	(112.35)	(93.42)
Net cash generated from operating activities (A)	**1,440.42**	**483.43**	**1,319.66**
Cash flows from investing activities			
Purchase of property, plant and equipment (Including Capital Work-in- progress, capital advances and capital creditors)	(758.39)	(1,312.55)	(1,126.71)
Purchase of intangible assets and intangible assets under development	(164.12)	(211.39)	(201.66)
Proceeds from sale of property, plant and equipment	2.30	2.84	2.50
Investment in debenture/shares	-	(14.40)	(3.81)
(Investment) / sale of mutual fund	0.01	50.07	94.99
Loan given	(1.95)	(5.64)	(15.54)
Interest received	45.19	61.89	85.44
Increase/(decrease) in bank balance not considered as cash and cash equivalent	183.10	76.90	395.52
Net cash flow from/ (used in) investing activities (B)	**(693.86)**	**(1,352.31)**	**(769.27)**
Cash flows from financing activities			
Proceeds from long term borrowings	356.27	862.95	482.50
Repayment of long term borrowings	(478.40)	(377.42)	(225.31)
Proceeds from/repayments of other current borrowings (net)	(12.68)	548.04	82.32
Payment of final interim dividend	-	(94.21)	(93.57)
Proceeds from issue non-cumulative compulsory convertible preference shares	-	-	-
Share issue expenses	(3.93)	(3.15)	(2.93)
Proceeds from issue of equity shares	9.53	38.05	-
Capital contribution from non-controlling interests	50.25	-	-
Other borrowing costs	(69.97)	(64.89)	(104.12)
Payment of principal portion of lease liabilities	(130.14)	(68.58)	(68.16)
Payment of interest portion of lease liabilities	(26.01)	(19.02)	(18.41)
Interest expenses paid	(312.90)	(284.86)	(255.95)
Net cash flow from/(used in) financing activities (C)	**(617.98)**	**536.91**	**(203.63)**
Net Increase (decrease) In cash and cash equivalents (A+B+C)	128.58	(331.97)	346.76
Cash and cash equivalents at the beginning of the year / period	94.48	422.61	75.58
Effect of exchange rate changes on cash and cash equivalents	0.86	3.84	0.27
Cash and cash equivalents of subsidiary acquired during the year	-	-	-
Total cash and cash equivalent	**223.92**	**94.48**	**422.61**

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Components of cash and cash equivalents			
Cash, Cheque/drafts on hand	19.82	0.03	0.03
With banks - Current account	134.10	69.45	222.58
With banks - Deposit account	70.00	25.00	200.00
Total cash and cash equivalent	**223.92**	**94.48**	**422.61**

SUMMARY OF CONTINGENT LIABILITIES

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

(in ₹ million, except as otherwise stated)

Nature of Contingent Liability	As at March 31, 2026
(i) Contingent liabilities:	
-Legal Cases of labour pending before labour court	9.89
-Claims against the Company not acknowledged as debt	2.33
-Bank Guarantee	21.08
Income tax (direct taxation)	1.63
(ii) Commitments:	
Estimated amount of contracts remaining to be executed on the capital account	244.21

Notes:

1. Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements. However, since it is difficult for the Company to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of account.

2. Sadhu Forging Limited has filed a suit claiming ₹3.93 millions towards alleged outstanding payment for supplied material. Hero Motors Limited has contested the claim on the grounds that the material supplied was defective, rejected, and corresponding debit notes were raised. Vide order dated 28.01.2026, the Faridabad Court held that it lacks territorial jurisdiction and directed return of the plaint for presentation before the competent Delhi Court. While the Faridabad proceedings have concluded, the matter may be refiled in Delhi, where the outcome remains uncertain due to both factual and legal issues involved.

3. A claim of ₹2.33 millions has been raised by M/s Hari Om Enterprises in relation to alleged outstanding amounts for maintenance and cleaning services provided to the Parent Company. The matter was initially referred to the Pre-Litigation Mediation and Conciliation Centre, which issued a non-starter report. Subsequently, the claimant has issued a notice under Section 21 of the Arbitration and Conciliation Act for invocation of arbitration, to which the Company is in the process of responding. Based on the facts of the case and legal assessment available as at the reporting date, management believes that the likelihood of an outflow of economic resources is remote and therefore no provision has been recognised in the financial statements.

4. The Company has received an assessment order for Assessment Year 2023-24 from the Income Tax Department involving a transfer pricing adjustment under Section 92CA of the Income-tax Act, 1961 amounting to ₹5.46 millions. Pursuant to the adjustment, a tax demand of ₹1.63 millions has been raised. The Company has deposited ₹.33 millions (being 20% of the demand) and has filed an appeal before the Commissioner of Income Tax (Appeals) against the assessment order dated 17 March 2026. Based on legal advice and management's assessment of the merits of the case, the Company believes that it has a reasonable basis to contest the demand and accordingly no provision has been considered necessary in the financial statements.

For further details, please see "*Restated Consolidated Financial Information – Note 43*", on page 415.

SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with SEBI ICDR Regulations entered into by our Company with related parties as at and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024, derived from our Restated Consolidated Financial Information are as follows:

(in ₹ million, except as otherwise stated)

Name of the related party	Particular	For the year ended			% of revenue from operations for Fiscal Year ended March 31, 2026	% of revenue from operations for Fiscal Year ended March 31, 2025	% of revenue from operations for Fiscal Year ended March 31, 2024
		March 31, 2026	March 31, 2025	March 31, 2024			
Hero Cycles Limited	Sale of Goods	82.77	66.80	57.92	0.70%	0.61%	0.54%
Hero Cycles Limited	Purchase of goods	1.14	0.00	1.92	0.01%	0.00%	0.02%
Hero Cycles Limited	Purchase of property, land, plant and equipment	0.67	-	230.88	0.00%	-	2.17%
Hero Cycles Limited	Purchase of Service	223.36	223.42	241.65	1.88%	2.05%	2.27%
Hero Cycles Limited	Loan Received	-	-	38.10	-	-	0.36%
Hero Cycles Limited	Loan Repaid	-	-	88.10	-	-	0.83%
Hero Cycles Limited	Purchase of equity shares	-	-	111.00	-	-	1.04%
Hero Cycles Limited	Other Income	-	-	30.00	-	-	0.28%
Hero Cycles Limited	Royalty Income	-	-	0.30	-	-	0.00%
Hero Cycles Limited	Reimbursement of Expenses	(22.10)	10.16	0.38	(0.19%)	0.09%	0.00%
Hero Cycles Limited	Interest Paid	-	-	2.94	-	-	0.03%
Hero Cycles Limited	Rental expense	0.08	0.12	0.04	0.00%	0.00%	0.00%
Hero Cycles Limited	Rental Income	0.14	-	-	0.00%	-	-
Hero Cycles Limited	Other Expense	-	-	5.00	-	-	0.05%
Hero Cycles Limited	Dividend Paid	-	1.93	-	-	0.02%	-
Munjal Kiriu Industries Private Limited	Sale of Goods	99.49	53.46	-	0.84%	0.49%	-
Munjal Kiriu Industries Private Limited	Purchase of goods	129.29	254.06	213.41	1.09%	2.33%	2.01%
HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Sale of Goods	274.81	83.07	70.84	2.31%	0.76%	0.67%
HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Purchase of goods	1.93	2.00	11.80	0.02%	0.02%	0.11%
HMC E-Valley Private Limited	Purchase of Service	14.51	1.80	-	0.12%	0.02%	-
HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Reimbursement of Expenses	9.52	6.78	0.89	0.08%	0.06%	0.01%
HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Lease liability paid for ROU assets	75.00	15.00	17.70	0.63%	0.14%	0.17%
HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited)	Other Expense	4.60	4.60	1.68	0.04%	0.04%	0.02%
Firefox Bikes Private Limited	Sale of Goods	5.24	-	0.17	0.04%	-	0.00%
High Rise Industries	Sale of Goods	1.71	-	-	0.01%	-	-
High Rise Industries	Purchase of goods	153.14	155.44	170.59	1.29%	1.43%	1.60%
High Rise Industries	Sale of property, plant and equipment	0.54	-	-	0.00%	-	-
ZF Hero Chassis Systems Private Limited	Sale of Goods	8.46	-	-	0.07%	-	-
Oma Private Limited	Purchase of goods	0.40	0.14	0.12	0.00%	0.00%	0.00%
Oma Private Limited	Purchase of property, plant and equipment	-	1.57	-	-	0.01%	-
Lectro E-Mobility Private Limited	Purchase of goods	-	-	0.10	-	-	0.00%

Name of the related party	Particular	For the year ended			% of revenue from operations for Fiscal Year ended March 31, 2026	% of revenue from operations for Fiscal Year ended March 31, 2025	% of revenue from operations for Fiscal Year ended March 31, 2024
		March 31, 2026	March 31, 2025	March 31, 2024			
Meenakshi Polymer Private Limited	Purchase of goods	8.55	14.83	17.29	0.07%	0.14%	0.16%
Nuvomax Nutritionals Private Limited**	Consultancy Fees	4.43	23.48	18.35	0.04%	0.22%	0.17%
Bhagyoday Investments Private Limited	Loan Repaid	-	-	50.00	-	-	0.47%
Bhagyoday Investments Private Limited	Interest Paid	-	-	4.14	-	-	0.04%
Hero Global Designs Limited	Reimbursement of Expenses	0.07	0.13	-	0.00%	0.00%	-
Hero Global Designs Limited	Other Expense	-	-	0.24	-	-	0.00%
Amit Gupta	Remuneration paid to Key Management Personnel	47.90*	36.47	39.66	0.40%	0.33%	0.37%
Darpan Vashishtha	Remuneration paid to Key Management Personnel	-	-	9.35	-	-	0.09%
Ritesh Agrawal (DOL-25-June-2025)	Remuneration paid to Key Management Personnel	5.74	14.33	1.67	0.05%	0.13%	0.02%
Utkarsh Sanghi (DOJ - 25-June-2025)	Remuneration paid to Key Management Personnel	5.22	-	-	0.04%	-	-
Abhishek Munjal	Remuneration paid to Key Management Personnel	33.62	32.76	33.51	0.28%	0.30%	0.31%
Ruhani Munjal	Remuneration paid to relative of Key Management Personnel	2.42	2.26	2.09	0.02%	0.02%	0.02%
Sheeba Dhamija	Remuneration paid to Key Management Personnel	-	0.67	2.10	-	0.01%	0.02%
Sakshi Dureja	Remuneration paid to Key Management Personnel	-	0.54	-	-	0.00%	-
Esha Gupta (DOL-28-Feb-2026)	Remuneration paid to Key Management Personnel	4.00	1.03	-	0.03%	0.01%	-
Amit Gupta	Share issued under ESOP Scheme	9.51	38.06	-	0.08%	0.35%	-
Ms. Pratibha Goyal	Directors sitting Fees	0.16	0.15	0.06	0.00%	0.00%	0.00%
Ms. Jyoti Arora	Directors sitting Fees	0.11	-	-	0.00%	-	-
Mr. Kulbir Singh	Directors sitting Fees	0.21	0.14	0.10	0.00%	0.00%	0.00%
Mr. Ashok Kumar Taneja	Directors sitting Fees	0.14	0.04	-	0.00%	0.00%	-
Mr. Gaurav Dalmia	Directors sitting Fees	-	0.01	-	-	0.00%	-
Mr. Andrew Charles Palmer	Directors sitting Fees	0.06	0.03	-	0.00%	0.00%	-

** Includes ₹5.00 million paid by subsidiary.*

*** The consideration involves the payment made by our Company to Nuvomax Nutritionals Private Limited ("**Nuvomax**") in lieu of certain advisory services being provided by Nuvomax in relation to the Offer on a non-exclusive basis as per the terms and conditions set forth in the Nuvomax Agreement including assessment and preparation for the Offer, coordination with relevant intermediaries, strategic planning and advisory for the Offer. Keshav Misra, our Non-Executive and Non-Independent Director is the promoter and director of Nuvomax and holds 96.00% stake in Nuvomax*

Notes:

1. *The Company has given guarantee to finance long term loan taken by subsidiary Spur technologies private limited upto maximum exposure of ₹ 159.00 million. The outstanding balance of drawdown as on March 31, 2026 is ₹ 50.13 millions.(March 31, 2025 ₹ 89.83 millions, March 31, 2024 is ₹ 110.37 million). This guarantee is applicable till the tenure of loan. The Company has given Standby letter of credit to finance long term loan and working capital facilities taken by subsidiary Hero Motors Thai Limited up to maximum exposure as on March 31, 2026 is ₹ 730.23 (March 31, 2025: ₹ 470.91 millions and March 31, 2024 ₹ Nil). The outstanding balance of drawdown as on March 31, 2026 is ₹ 5,96.47 millions (March 31, 2025: ₹ 435.56 millions and March 31, 2024 ₹ Nil). Standby letter of credit to finance working capital facilities taken by subsidiary Hewland Engineering Limited upto maximum exposure as on March 31, 2026 is ₹519.11 millions (March 31, 2025: ₹ 287.83 millions and March 24: ₹ Nil). The outstanding balance of drawdown as on March 31, 2026 is ₹ 409.17 Lakhs (March 31, 2025: ₹ 261.59 millions and March 31, 2024 ₹ Nil).*
2. *a) Refer Note 21, for movement of shareholding pattern from erstwhile shareholders to new shareholders.*
   b) These are the transactions/ balances taken from entries parked in the books of Hero Motors Limited*
   *c)** The status of stock options pending vesting/exercise, granted to Key Management Personnels are as below:*

Name of Key Management Personnel	Amit Gupta		Keshav Misra
ESOP scheme	ESOP 2022		ESOP 2022
ESOP Tranche	Tranche 1	Tranche 2	Tranche 1
Exercise price (INR per option)	10	69.14	69.14
Share options outstanding as at Mar 31, 2026 (In Nos)	47,57,639	49,43,511	39,54,809
Share options outstanding as at Mar 31, 2025 (In Nos)	57,09,167	49,43,511	39,54,809
Share options outstanding as at Mar 31, 2024 (In Nos)	95,15,278	49,43,511	39,54,809

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GENERAL INFORMATION

Our Company was incorporated in the name of 'Hero Briggs & Stratton Auto Private Limited' as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1998 issued by the RoC, Delhi and Haryana. Thereafter, our Company became a deemed public company and the name of our Company was changed to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998. Pursuant to the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956, our Company was again converted into a private limited company with effect from June 1, 2001 and the name of our Company was accordingly changed to 'Hero Briggs & Stratton Auto Private Limited'. Thereafter, pursuant to the termination of the joint venture agreement with Briggs & Stratton International Inc. (USA) in 2001, the name of our Company was changed to 'Hero Auto Private Limited' and a fresh certificate of incorporation dated April 10, 2003 was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to 'Hero Auto Limited' upon conversion to a public limited company on October 30, 2003 pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana. Further, pursuant to the fresh certificate of incorporation dated September 15, 2004 issued by the Registrar of Companies Delhi and Haryana, the name of our Company was changed to 'Hero Motors Limited' to reflect the true nature of the Company's business, which is the name of our Company as on the date of this Red Herring Prospectus. For details of incorporation, changes in the name and registered office address of our Company, see '*History and Certain Corporate Matters*' on page 301.

Corporate Identity Number: U29299PB1998PLC039602

Registration Number: 039602

Registered Office

Hero Nagar,
GT Road, Ludhiana,
Punjab – 141 003, India

For further details of past changes in the registered office address of our Company, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 301.

Corporate Office

Max Square
Office level, 7th Floor
Plot No. C3-C, Jaypee Wishtown,
Sector 129, Noida,
Uttar Pradesh 201 304, India
Tel: +91 120 4412 000
E-mail: investorrelations@heromotors.com
Website: www.heromotors.com

Registrar of Companies

Our Company is registered with the Registrar of Companies, Chandigarh, situated at:
1st Floor, Corporate Bhawan,
Plot No.4-B, Sector 27-B,
Chandigarh - 160 019, India

Filing

A copy of the Draft Red Herring Prospectus was filed electronically through SEBI's online intermediary portal at https://siportal.sebi.gov.in in accordance with the SEBI ICDR Master Circular. Physical copies of the Draft Red Herring Prospectus were also filed with the SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (East)
Mumbai
Maharashtra 400 051

This Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32, read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of this Red Herring Prospectus and the Prospectus, respectively, and through the electronic portal of MCA.

Board of Directors

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Pankaj Munjal	Chairman, Non-Executive and Non-Independent Director	00005330	B-5 Greater Kailash, Part I, Greater Kailash S.O, South Delhi, Delhi 110 048
Abhishek Munjal	Whole time Director	05355274	B-5, Part -1, Greater Kailash, Greater Kailash Defence Colony, South Delhi, Delhi 110 048
Amit Gupta	Managing Director and CEO	02990732	Flat no E-610, 6th floor, Tower- E, Prateek Edifice, Plot no: GH-01/A (Beta-2), Sector 107, PO: Noida, Gautam Buddha Nagar, Uttar Pradesh – 201 301
Keshav Misra	Non-Executive and Non-Independent Director	00133702	20, Golf Links, Lodi Road, H.O, South Delhi, Delhi – 110 003
Kulbir Singh	Non-Executive and Independent Director	00204829	C-320, Defence Colony, Lajpat Nagar S.O, South Delhi, Lajpat Nagar, Delhi- 110 024
Pratibha Goyal	Non-Executive and Independent Director	07174666	House No. 8/11, Punjab Agricultural University, P.A.U., Ludhiana, Punjab 141004
Sridhar Narayan*	Non-Executive Nominee Director	00137243	Flat 202, Tower D, Raheja Vivaera, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai – 400 011, Maharashtra
Andrew Charles Palmer	Non-Executive and Independent Director	02155231	The Dower House, The Green, Blakesley Towcester, Northampton Shire NN12 8RD
Ashok Kumar Taneja	Non-Executive and Independent Director	00124814	C-6/9, Safdarjung Development Area, Hauz Khas, South Delhi, Delhi-110 016
Jyoti Arora	Non-Executive and Independent Director	00353071	431, MDC, Sector 6, Panchkula, Haryana - 134 114

* *Nominee of South Asia Growth Invest LLC and South Asia EBT Trust*

Company Secretary and Compliance Officer of our Company

Sakshi Dureja
Max Square
Office level, 7th Floor
Plot No. C3-C, Jaypee Wishtown,
Sector 129, Noida,
Uttar Pradesh 201 304, India
Tel: +91 120 4412 000
E-mail: investorrelations@heromotors.com

Statutory Auditor

Deloitte Haskins & Sells LLP, Chartered Accountants
7th Floor, Building 10,
Tower B, DLF Cyber City Complex,
DLF City Phase-II,
Gurugram-122 002,
Haryana, India
Tel: +91 124 679 2000
E-mail: rkagarwal@deloitte.com
Peer Review No: 017468
Firm Registration Number: 117366W/W-100018

Change in Statutory Auditors since last three years

There has been no change in our statutory auditors in the three years preceding the date of this RHP:

Book Running Lead Managers

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100

DAM Capital Advisors Limited
Altimus 2202, Level 22
Pandurang Budhkar Marg
Worli, Mumbai 400018
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: hml.ipo@damcapital.in

E-mail: heromotors.ipo@icicisecurities.com
Investor grievance e-mail: customercare@icicisecurities.com.
Website: www.icicisecurities.com
Contact Person: Namrata Ravasia
SEBI Registration No.: INM000011179

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel:+91 22 6630 3030
E-mail: heromotors.ipo@jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
Level 1 & 2, Max Towers
Plot No. C-001/A/1
Sector 16B,
Gautam Buddha Nagar, Noida 201 301
Uttar Pradesh, India
Tel: +91 120 669 9000

Registrar to the Offer

KFin Technologies Limited
301, The Centrium,
3rd Floor, 57, Lal Bahadur Shastri Road,
Nav Pada, Kurla (West), Kurla, Mumbai 400070
Maharashtra, India
Tel: +91 40 6716 2222
E-mail: heromotors.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
CIN: L72400MH2017PLC444072

Bankers to the Offer

Public Offer Account Bank and Sponsor Bank

Axis Bank Limited
MWBC Delhi, 3rd Floor, Plot No. 25, Pusa Road, New Delhi – 110 005
Tel: 011-47396618
E-mail: cbbnewdelhi.operationshead@axisbank.com
Website: www.Axisbank.com
Contact Person: Supriya Gopi
SEBI Registration Number: INBI00000017
CIN: L65110GJ1993PLC020769

Escrow Collection Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division
163, 5thFloor, H.T. Parekh Marg
Backbay Reclamation
Churchgate, Mumbai - 400 020
Telephone: 022 -68052182
E-mail: Ipocmg@icicibank.in

Investor grievance e-mail: complaint@damcapital.in
Website: www.damcapital.in
Contact Person: Puneet Agnihotri/ Chandresh Sharma
SEBI Registration No.: MB/INM000011336

Website: www.icicibank.in
Contact Person: Mr. Varun Badai
SEBI Registration No: INBI00000004
CIN: L65190GJ994PLC021012

Bankers to our Company

Axis Bank Limited
3rd Floor, Plot No. 25
Pusa Road
New Delhi 110005
Tel: +91 11 4739 6600
E-mail: cbbnewdelhi.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Branch head

Kotak Mahindra Bank Limited
IBIS Aerocity, Commercial Complex
New Delhi 110037
Tel: +91 99717 90943
E-mail: naveen.joshi@kotak.com
Website: www.kotak.com
Contact Person: Naveen Joshi

ICICI Bank Limited
NBCC Palace, Bhishma Pitamah Marg,
Lodhi Road Quarters, Pragati Vihar
New Delhi, Delhi 110003
Tel: +91 11 3366 7777
E-mail: anup.gupta@icicibank.com and gupta.arpita@icicibank.com
Website: www.icicibank.com
Contact Person: Manju Jain and Arpita Gupta

Syndicate Members

Sharekhan Limited
1st Floor, Tower No. 3, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India
Telephone Number: +91 22 6750 2000
E-mail: yatish.sarvankar@sharekhan.com
Website: www.sharekhan.com
Contact Person: Arvin Kirtane / Yatish Sarvankar
SEBI Registration Number: INB231073330/INB011073351
Investor Grievance e-mail: myaccount@sharekhan.com

JM Financial Services Limited
Ground Floor, 2,3&4, Kamanwala Chambers, Sir P.M. Road, Fort,
Mumbai – 400001, Maharashtra, India
Telephone Number: +91 22 6136 3400
Email: sona.verghese@jmfl.com/tejas.agrawal@jmfl.com
Website: www.jmfinancialservices.in
Contact person: Sona Varghese/Tejas Agrawal
SEBI Registration Number: INZ000195834
Investor Grievance e-mail: ig.distribution@jmfl.com

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, 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 updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism

In accordance with SEBI RTA Master Circular, and SEBI ICDR Master Circular, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI Mechanism is provided 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.

Syndicate Self-Certified Syndicate Banks' Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, 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 name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated September 9, 2026 from Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under the 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 their (i) examination report, dated August 29, 2026 on our Restated Consolidated Financial Information; and (ii) their report dated September 9, 2026 on the Statement of Special Tax Benefits in this Red Herring Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 9, 2026 from The Corporate Practice Limited, to include their name as required under the SEBI ICDR Regulations in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, in respect of Statement of Special Tax Benefits available to HEL, our Material Subsidiary under direct and indirect tax laws in force in United Kingdom in this RHP and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 29, 2026 from Ramesh C Agrawal, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 25, 2026 from Devinder Sheel Jain, on behalf of Deba Engineers & Consultants, Chartered Engineers and Approved Valuers, an independent chartered engineer to include their name as required under the 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 an independent chartered engineer in relation to the certificate dated August 28, 2026 certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Our Company has received written consent dated September 9, 2026 from Neelam Gupta, practicing company secretary, to include their name in this Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as a practicing company secretary to our Company.

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

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

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

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	ICICI Securities Limited
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	ICICI Securities Limited
3.	Drafting and approval of all statutory advertisements	BRLMs	ICICI Securities Limited
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	DAM Capital Advisors Limited
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	ICICI Securities Limited
6.	Preparation of road show presentation and frequently asked questions	BRLMs	DAM Capital Advisors Limited
7.	International institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	BRLMs	DAM Capital Advisors Limited
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	ICICI Securities Limited
9.	• Non-Institutional and retail marketing of the Issue, which will cover, inter alia: • Finalizing media, marketing and public relations strategy; and • Finalizing centres for holding conferences for brokers, etc. • Formulating marketing strategies, preparation of publicity budget; • Finalizing collection centres; • Follow-up on distribution of publicity and issue material including form, RHP, Prospectus and deciding on the quantum of the issue material	BRLMs	JM Financial Limited
10.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	DAM Capital Advisors Limited
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	DAM Capital Advisors Limited

S. No.	Activity	Responsibility	Coordinator
12.	Mock Trading and related activities as per SEBI circulars, post-offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI	BRLMs	JM Financial Limited

IPO Grading

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

Monitoring Agency

Our Company has appointed CARE Ratings Limited as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations, for monitoring of the utilisation of the proceeds from the Fresh Issue.

CARE Ratings Limited
Address: 4th Floor, Godrej Coliseum Somaiya
Hospital Road Off Eastern
Express Highway Sion (East)
Mumbai 400 022
Tel: 9582415003`
E-mail: Pankaj.sharma@careedge.in
Contact person: Mr. Pankaj Sharma
Website: www.careratings.com
SEBI registration number: IN/CRA/004/1999
CIN: L67190MH1993PLC071691

Appraising Entity

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

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms), if any, within the Price Band and the minimum Bid Lot which will be decided by our Company in consultation with the Book Running Lead Managers, and advertised in all editions of Financial Express, a widely circulated English national daily newspaper, in all editions of Jansatta, a widely circulated Hindi national daily newspaper, Ludhiana edition of Daily Suraj a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, 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 on their respective websites. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date. For further details, see "*Offer Procedure*" on page 513.

All Bidders (other than Anchor Investors) shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the ASBA Bidders shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or in case of UPI

bidders through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until the Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date Except for allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as prescribed under the SEBI ICDR Regulations.

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

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

The Bidders should note that the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 504, 510 and 513, respectively.

For details in relation to filing of this Red Herring Prospectus, see "*Filing*" on page 75.

Underwriting Agreement

Our Company and each of the Selling Shareholder intends to, prior to the filing of the Prospectus with the RoC, enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer.

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price, pursuant to the Underwriting Agreement:

(The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting 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. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed in accordance with applicable laws, after the determination of the Offer Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**[(1)]		
	580,000,000 Equity Shares of face value of ₹10 each	5,800,000,000	-
	99,500,000 CCPS of face value of ₹10 each	995,000,000	-
	Total	**6,795,000,000**	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	382,787,005 Equity Shares of face value of ₹10 each	3,827,870,050	-
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 10,000.00 million [(2)]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 6,000.00 million[(2)]	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 4,000.00 million[(3)]	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹10 each (assuming full subscription in the Offer)	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (as on date of this Red Herring Prospectus)		6,041,297,957
	After the Offer		[●]

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

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years" on page 302.*

(2) *Our Board has approved the Offer pursuant to the resolution passed at its meeting held on February 17, 2025 and August 28, 2026, and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed at their meeting held on March 12, 2025. Further, our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated August 28, 2026.*

(3) *The Selling Shareholders have severally and not jointly confirmed and approved their respective participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 64 and 491 respectively.*

Notes to the Capital Structure

1. Share capital history of our Company

(a) **Equity share capital**

The history of the equity share capital of our Company is set forth below:

Date of allotment/ reduction of share capital	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment/reduction of share capital	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
April 30, 1998	95	Allotment of 25 Equity Shares each to Satyanand Munjal, Brijmohan Lal and Vijay Munjal and 20 Equity Shares to Majestic Auto Limited.	10	10	Cash	Initial subscription to Memorandum of Association	95	950
August 25, 1998^	9,026,940	Allotment of 6,357,000 Equity Shares to Briggs & Stratton International, Inc., 1,652,820 Equity Shares to Hero Cycles Limited and 508,560 Equity Shares each to Dayanand Munjal Investments Private Limited and Bahadur Chand Investments Private Limited.	10	10	Cash	Further issue	9,027,035	90,270,350
	3,686,965	Allotment of 3,686,965 Equity Shares to Majestic Auto Limited.	10	10	Consideration other than cash (pursuant to terms of the asset purchase agreement executed between our Company and Majestic Auto Limited)	Further issue	12,714,000	127,140,000
February 18, 1999^	6,106,000	Allotment of 4,300,000 Equity Shares to Briggs & Stratton International, Inc., 1,118,000 Equity Shares to Hero Cycles Limited, and 344,000 Equity Shares each to Dayanand Munjal Investments Private Limited and Bahadur Chand Investments Private Limited.	10	10	Cash	Further issue	18,820,000	188,200,000
	2,494,000	Allotment of 2,494,000 Equity Shares to Majestic Auto Limited.	10	10	Consideration other than cash (as per joint venture and other ancillary agreements executed between our Company and Majestic Auto Limited.)	Further issue	21,314,000	213,140,000
August 23, 1999^	2,130,000	Allotment of 1,500,000 Equity Shares to Briggs & Stratton International, Inc., 390,000 Equity	10	10	Cash	Further issue	23,444,000	234,440,000

Date of allotment/ reduction of share capital	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment/reduction of share capital	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
		Shares to Hero Cycles Limited and 120,000 Equity Shares each to Dayanand Munjal Investments Private Limited and Bahadur Chand Investments Private Limited.						
	870,000	Allotment of 870,000 Equity Shares to Majestic Auto Limited.	10	10	Consideration other than cash (Allotment made to comply with pre-disbursement conditions of loan availed by the Company, against purchase of assets by Majestic Auto Limited)	Further issue	24,314,000	243,140,000
September 24, 2004^	35,000,000	Allotment of 13,500,000 Equity Shares to Hero Cycles Limited, 875,000 Equity Shares to Thakur Devi Investments Private Limited, 8,250,000 Equity Shares to Hero Investments Private Limited, 7,375,000 Equity Shares to Bahadur Chand Investments Private Limited and 1,000,000 Equity Shares each to Dayanand Munjal Investments Private Limited, Anadi Investments Private Limited, Puja Investments Private Limited, Munjal Investments Private Limited and Bhagyodaya Investment Private Limited.	10	10	Allotment of 35,000,000 Equity Shares made upon conversion of 0% fully convertible debentures held by the allottees in the Company (then known as Hero Auto Private Limited), and which were allotted to them in lieu of their preference shareholding in Majestic Auto Limited under the terms of the scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.	Pursuant to a scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003	59,314,000	593,140,000
October 6, 2004^	1,126,142	Allotment of 1,126,142 Equity Shares to 5,192 public shareholders of Majestic Auto Limited	10	10	The Company (then known as Hero Auto Private Limited) allotted approximately 10.39 Equity Shares of face value of ₹10 each of Hero Auto Private Limited to the shareholders of Majestic Auto Limited for every 100 fully paid up Equity Shares held by them in Majestic Auto Limited.	Pursuant to a scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.	60,440,142	604,401,420

Date of allotment/ reduction of share capital	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment/reduction of share capital	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
July 26, 2006[#]	(53,103,493)	Reduction of 53,103,493 Equity Shares pursuant to a petition under Sections 100 to 103 of the Companies Act, 1956 for reduction of the issued, subscribed and paid-up share capital of the Company as allowed by the Delhi High Court at New Delhi vide its order dated May 12, 2006.					7,336,649	73,366,488*
September 29, 2007^	22,785,484	Allotment of 9,398,387 Equity Shares to Hero Cycles Limited, 5,161,290 Equity Shares to Hero Investments Private Limited, 6,935,484 Equity Shares to Bahadur Chand Investments Private Limited, 806,452 Equity Shares Dayanand Munjal Investments Private Limited and 483,871 Equity Shares to Thakur Devi Investments Private Limited	10	62	Cash	Further issue	30,122,133	301,221,328
November 23, 2010^	4,475,000	Allotment of 4,475,000 Equity Shares to Hero Cycles Limited	10	80	Cash	Preferential allotment	34,597,133	345,971,330
December 19, 2022[**]	318,981,247	Allotment of 9,396,651 Equity Shares to Pankaj Munjal, 942,425 Equity Shares to Charu Munjal, 707,022 Equity Shares to Aditya Munjal, 706,210 Equity Shares to Abhishek Munjal, 10,537,140 Equity Shares to Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP), 23,415,325 Equity Shares to Bhagyoday Investments Private Limited, 273,123,055 Equity Shares to Pankaj Munjal (on behalf of O P Munjal Holdings), 149,359 Equity Shares to Pankaj Munjal (on behalf of Munjal Sales Corporation) and 812 Equity Shares each to Tarun Vohra, A.K. Dewan, Pawan Puri, Vipan Kumar Bagai, Arun Jit Singh Sodhi.	10	Not applicable	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	Pursuant to a scheme of arrangement between Hero Cycles Limited and the Company and their respective shareholders and creditors sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022. For details, see "*History and Certain Corporate Matters – Scheme of arrangement between our Company and Hero Cycles Limited and their respective shareholders and creditors ("2022 Scheme of Arrangement")*" on page 305.	353,578,380	3,535,783,800
May 8, 2024	2,000,000	Allotment of 2,000,000 Equity Shares to Amit Gupta	10	10	Cash	Pursuant to exercise of employee stock options under ESOP 2022	355,578,380	3,555,783,800
July 16, 2024	1,806,111	Allotment of 1,806,111 Equity Shares to Amit Gupta	10	10	Cash	Pursuant to exercise of employee stock options under ESOP 2022	357,384,491	3,573,844,910
May 5, 2025	951,528	Allotment 951,528 Equity Shares to Amit Gupta	10	10	Cash	Pursuant to exercise of employee stock options under ESOP 2022	358,336,019	3,583,360,190

Date of allotment/ reduction of share capital	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Nature of allotment/reduction of share capital	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
May 29, 2026	951,528	Allotment 951,528 Equity Shares to Amit Gupta	10	10	Cash	Pursuant to exercise of employee stock options under ESOP 2022	359,287,547	3,592,875,470
September 4, 2026	20,971,941	Allotment of 20,908,283 Equity Shares to South Asia Growth Invest LLC and 63,658 Equity Shares to South Asia EBT Trust^^	10	NA&	NA&	Conversion of 20,971,941 CCPS of face value of ₹ 10 each into 20,9971,941 Equity Shares of face value of ₹ 10 each in the ratio of 1:1	380,259,488	3,802,594,880
September 4, 2026	2,527,517	Allotment of 1,500,000 Equity Shares to Amit Gupta; 1,000,000 Equity Shares to Keshav Misra; 25,183 Equity Shares to Rahul Chauhan^^^ and 2,334 Equity Shares to Esha Gupta	10	69.14	Cash	Pursuant to exercise of employee stock options under ESOP 2022	382,787,005	3,827,870,050

* *The paid up share capital of the Company pursuant to the scheme of capital reduction was ₹73,366,488, while the number of paid up Equity Shares was 7,336,649. The difference of ₹2 in the paid up share capital is on account of fractional shares being rounded off.*

** *Pursuant to the 2022 Scheme of Arrangement, Hero Cycles Limited is the legal and beneficial owner of 95 Equity Shares held by 12 shareholders who are appearing on the BENPOS statement of our Company as on the date of this RHP, on account of rejection of corporate action for transfer of the Equity Shares from the accounts of the 12 shareholders to HCL due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective brokers. Our Company had filed an exemption application dated December 18, 2024 under Regulation 300(1)(c) of the SEBI ICDR Regulations from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to imposition of statutory lock-in on these 95 Equity Shares held by the 12 shareholders, pursuant to which SEBI vide its letter dated May 2, 2025, has granted the aforesaid exemption to our Company. For further information, see "Risk Factors – Our Company has availed exemption from SEBI in respect of the requirement of complying with statutory lock-in under SEBI ICDR Regulations in respect of certain Equity Shares, which requires us to comply with certain conditions including submissions/undertakings provided by our Company. Any failure by our Company to comply with these conditions may lead to non-compliance with the exemption granted by SEBI." on page 28.*

^ *Certain of our corporate and secretarial records in relation to these allotments are not traceable. For further information, please see "Risk Factors – We are unable to trace some of our historical corporate and secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing corporate records which may impact our financial condition and reputation." on page 45.*

^^ *Held by Orbis Trusteeship Services Private Limited, on behalf of South Asia EBT Trust.*

^^^ *Legal heir of Late Prem Narayan Chauhan, our erstwhile employee.*

The order of the High Court of Delhi sanctioning the Scheme of Capital Reduction was issued on July 12, 2006 and was registered with Registrar of Companies, NCT of Delhi & Haryana on July 26, 2006.

& *The consideration was paid at the time of allotment of CCPS.*

(b) **Preference share capital**

The history of the preference share capital of our Company is set forth in the table now:

Date of allotment	Number of preference shares allotted	Details of Allottees	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of transaction	Cumulative number of preference shares	Cumulative paid-up preference share capital (in ₹)
September 28, 2004^^	49,500,000	Allotment of 25,000,000 preference shares to Hero Cycles Limited, 2,000,000 preference shares each to Dayanand Munjal Investments Private Limited and Thakur Devi Investments Private Limited, 10,400,000 preference shares to Bahadur Chand Investments Private	10	10	Cash	Private placement	49,500,000	495,000,000

Date of allotment	Number of preference shares allotted	Details of Allottees	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of transaction	Cumulative number of preference shares	Cumulative paid-up preference share capital (in ₹)
		Limited and 10,100,000 preference shares to Hero Investments Private Limited.						
July 26, 2006[#]	(49,500,000)	Reduction of 49,500,000 preference shares allotted on September 28, 2004 pursuant to the scheme of capital reduction approved by the Delhi High Court at New Delhi vide its order dated May 12, 2006.					0	0
November 23, 2010^^	49,500,000	Allotment of 49,500,000 6% non-cumulative convertible redeemable preference shares to Hero Cycles Limited.	10	16	Cash	Preferential allotment	49,500,000	495,000,000
July 27, 2012^^	9,375,000	Allotment of 9,375,000 6% non-cumulative convertible redeemable preference shares to Hero Cycles Limited	10	16	Cash	Preferential allotment	58,875,000	588,750,000
September 17, 2013^^	10,625,000	Allotment of 10,625,000 6% non-cumulative convertible redeemable preference shares to Hero Cycles Limited	10	16	Cash	Preferential allotment	69,500,000	695,000,000
February 17, 2016	(69,500,000)	Reduction of 69,500,000 6% non-cumulative convertible redeemable preference shares allotted on November 23, 2010, July 27, 2012 and September 17, 2013 pursuant to a scheme of arrangement between Hero Cycles Limited and the Company and their respective shareholders sanctioned by the High Court of Punjab and Haryana vide its order dated October 9, 2015.					0	0
December 30, 2022	20,971, 941	Allotment of 20,908,283 CCPS to South Asia Growth Invest LLC and 63,658 CCPS to South Asia EBT Trust^	10	69.14	Cash	Private placement	20,971,941	209,719,410
September 4, 2026	(20,971,941)	Allotment of 20,908,283 Equity Shares to South Asia Growth Invest LLC and 63,658 Equity Shares to South Asia EBT Trust^, pursuant to conversion of CCPS	10	NA	NA[&]	Conversion of 20,971,941 CCPS of face value of ₹ 10 each into 20,971,941 Equity Shares of face value of ₹ 10 each in the ratio of 1:1	0	0

^ *Held by Orbis Trusteeship Services Private Limited, on behalf of South Asia EBT Trust.*

^^ *Certain of our corporate and secretarial records in relation to these allotments are not traceable. For further information, please see "Risk Factors – We are unable to trace some of our historical corporate and secretarial records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing corporate records which may impact our financial condition and reputation." on page 45.*

\# *The order of the High Court of Delhi sanctioning the Scheme of Capital Reduction was issued on July 12, 2006 and was registered with Registrar of Companies, NCT of Delhi & Haryana on July 26, 2006.*

& *The consideration was paid at the time of allotment of CCPS.*

Further, there are no outstanding preference shares of the Company as on the date of this Red Herring Prospectus.

All issuances of our securities since the incorporation of our Company till the date of filing of this Red Herring Prospectus are in compliance with the Companies Act, 1956 and Companies Act, 2013, as applicable.

2. Issue of Equity Shares or preference shares at a price lower than the Offer Price in the last one year

Except as disclosed in '- *Share capital history of our Company*' on page 85, our Company has not issued any Equity Shares or preference shares in the preceding one year at a price lower than the Offer Price. Such allotment has not been made to any member of the Promoter Group.

3. Issue of Equity Shares or preference shares pursuant to schemes of arrangement.

Except for Equity Shares issued pursuant to (i) the scheme of arrangement between Majestic Auto Limited and our Company and their respective shareholders and creditors approved by the High Court of Punjab and Haryana vide its order dated November 7, 2003 and the Delhi High Court at New Delhi vide its order dated July 22, 2004; and (ii) the scheme of arrangement between Hero Cycles Limited and our Company and their respective shareholders and creditors sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022, our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013 as on the date of this Red Herring Prospectus.

Our Company has not allotted any preference shares pursuant to any scheme or arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013 as on the date of this Red Herring Prospectus.

For further details, please see "– *Share capital history of our Company*" on page 85.

4. Issue of Equity Shares for consideration other than cash, bonus issue or out of revaluation of reserves

(i) As on the date of this Red Herring Prospectus, our Company has not issued any Equity Shares or Preference Shares out of revaluation reserves since its incorporation.

(ii) Our Company has not issued any preference shares for consideration other than cash or by way of bonus issue as on the date of this Red Herring Prospectus.

(iii) Except as disclosed below and in "- *Issue of Equity Shares or preference shares pursuant to schemes of arrangement*" on page 89, our Company has not issued any Equity Shares or preference shares for consideration other than cash or by way of bonus issue as on the date of this Red Herring Prospectus.

Date of allotment	Names of allottee	Reason/nature of allotment	No. of Equity Shares allotted	Face value per Equity Share (in ₹)	Offer price per Equity Share (in ₹)	Nature of consideration
August 25, 1998	Allotment of 3,686,965 Equity Shares to Majestic Auto Limited.	Allotment pursuant to terms of the asset purchase agreement executed between our Company and Majestic Auto Limited	3,686,965	10	10	Consideration other than cash
February 18, 1999	Allotment of 2,494,000 Equity Shares to Majestic Auto Limited.	Allotment as per terms of joint venture and other ancillary agreements executed between our Company and Majestic Auto Limited.	2,494,000	10	10	Consideration other than cash
August 23, 1999	Allotment of 870,000 Equity Shares to Majestic Auto Limited.	Allotment made to comply with pre-disbursement conditions of loan availed by the Company, against purchase of assets by Majestic Auto Limited	870,000	10	10	Consideration other than cash

5. Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company on a fully diluted basis as on the date of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants and ESOPs) (X)	Total No of shares on fully diluted basis (including Warrants and ESOPs) (XI)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XIII)		Number of Shares pledged or otherwise encumbered# (XIV)		Non-Disposal Undertaking (XV)		Other encumbrances, if any (XVI)		Number of Shares pledged or otherwise encumbered# (XVII) = (XIV + XV + XVI)		Number of equity shares held in dematerialized form (XVIII)
								Number of Voting Rights			Total as a % of (A+B+C)				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b) on a fully diluted basis	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total																
(A)	Promoters and Promoter Group*	9	327,540,186	0	0	327,540,186	85.57%	327,540,186	-	327,540,186	85.57%	-	327,540,186	84.67%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil	327,540,186
(B)	Public**	939	55,246,819	0	0	55,246,819	14.43%	55,246,819	-	55,246,819	14.43%	4,076,489	59,323,308	15.33%	0	0.00%	1,000,000	0.26%	Nil	Nil	Nil	Nil	Nil	Nil	55,246,819
(C)	Non Promoter- Non Public											-	-	-	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil	
(C1)	Shares underlying depository receipts	0	-	0	0	-	0.00%	-	-	-	0.00%	-	-	-	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil	-
(C2)	Shares held by employee trusts	0	-	0	0	-	0.00%	-	-	-	0.00%	-	-	-	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil	-

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants and ESOPs) (X)	Total No of shares on fully diluted basis (including Warrants and ESOPs) (XI)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XIII)		Number of Shares pledged or otherwise encumbered# (XIV)		Non-Disposal Undertaking (XV)		Other encumbrances, if any (XVI)		Number of Shares pledged or otherwise encumbered# (XVII) = (XIV + XV + XVI)		Number of equity shares held in dematerialized form (XVIII)
								Number of Voting Rights			Total as a % of (A+B + C)				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b) on a fully diluted basis	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class X	Class Y	Total																
	Total (A+B+C)***	948	382,787,005	0	0	382,787,005	100.00%	382,787,005	-	382,787,005	100.00%	4,076,489	386,863,494	100.00%	0	0.00%	1,000,000	0.26%	Nil	Nil	Nil	Nil	Nil	Nil	382,787,005

* *Pursuant to the 2022 Scheme of Arrangement, HCL is the legal and beneficial owner of 95 Equity Shares held by 12 individuals/entities who are appearing on the BENPOS statement of our Company as on the date of this RHP, on account of rejection of corporate action for transfer of the Equity Shares from accounts of the 12 shareholders to HCL due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective brokers. Accordingly, the 95 Equity Shares held by the 12 individuals/entities is being reflected in row (A) (i.e., Promoters and Promoter Group) and not row (B) (i.e., Public). Our Company had filed an exemption application dated December 18, 2024 under Regulation 300(1)(c) of the SEBI ICDR Regulations from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to imposition of statutory lock-in on these 95 Equity Shares held by the 12 shareholders, pursuant to which SEBI vide its letter dated May 2, 2025, has granted the aforesaid exemption to our Company. For further information, see "Risk Factors – Our Company has availed exemption from SEBI in respect of the requirement of complying with statutory lock-in under SEBI ICDR Regulations in respect of certain Equity Shares, which requires us to comply with certain conditions including submissions/undertakings provided by our Company. Any failure by our Company to comply with these conditions may lead to non-compliance with the exemption granted by SEBI" on page 28.*

** *Pursuant to the 2022 Scheme of Arrangement, HCL is the legal and beneficial owner of 95 Equity Shares held by 12 individuals/entities at the time of the approval of the 2022 Scheme of Arrangement. However, such 12 individuals/entities are still appearing on the BENPOS statement of our Company as on the date of this RHP, on account of rejection of corporate action for transfer of the Equity Shares from accounts of the 12 shareholders to HCL due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective brokers. Accordingly, as HCL is the legal and beneficial owner of such 95 Equity Shares, such 95 Equity Shares are being reflected under the "Promoter and Promoter Group" category.*

*** *Based on beneficiary position statement available on September 8, 2026.*

Amit Gupta, our Managing Director and Chief Executive Officer, has entered into an agreement to avail a loan aggregating to ₹ 237.40 million for financing the subscription of Equity Shares allotted to him pursuant to exercise of employee stock options under ESOP 2022. 1,000,000 Equity Shares allotted to him pursuant to such exercise have been pledged in favor of the lender.

6. 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:

S. No.	Name of the Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Pre-Offer number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
Promoter					
1.	O P Munjal Holdings**	273,123,055	71.35	273,123,055	70.60
2.	Pankaj Munjal	9,400,436	2.46	9,400,436	2.43
Promoter Group					
3.	Bhagyoday Investments Private Limited	23,978,804	6.26	23,978,804	6.20
4.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)	10,537,140	2.75	10,537,140	2.72
5.	Hero Cycles Limited	7,752,750	2.03	7,752,750	2.00
Other					
6.	South Asia Growth Invest LLC	46,855,307	12.24	46,855,307	12.11
7	Amit Gupta	5,584,167	1.46	5,584,167	1.44
	Total	**377,231,659**	**98.55**	**377,231,659**	**97.51**

** *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

b) 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 10 days prior to the date of this Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Pre-Offer number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
Promoter					
1.	O P Munjal Holdings**	273,123,055	76.02	273,123,055	70.60
2.	Pankaj Munjal	9,400,436	2.62	9,400,436	2.43
Promoter Group					
3.	Bhagyoday Investments Private Limited	23,978,804	6.67	23,978,804	6.20
4.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)	10,537,140	2.93	10,537,140	2.72
5.	Hero Cycles Limited	7,752,750	2.16	7,752,750	2.00
Other					
6.	South Asia Growth Invest LLC	25,947,024	7.22	46,855,307	12.11
7	Amit Gupta	4,084,167	1.14	4,084,167	1.06
	Total	**354,823,376**	**98.76**	**375,731,659**	**97.12**

** *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding CCPS and exercise of vested options under the ESOP 2022.*

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:

S. No.	Name of the Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Pre-Offer number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
Promoter					
1.	O P Munjal Holdings*	273,123,055	76.22	273,123,055	71.07
2.	Pankaj Munjal	9,400,436	2.62	9,400,436	2.45
Promoter Group					
3.	Bhagyoday Investments Private Limited	23,978,804	6.69	23,978,804	6.24
4.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)	10,537,140	2.94	10,537,140	2.74
5.	Hero Cycles Limited	7,752,750	2.16	7,752,750	2.02
Other					
6.	South Asia Growth Invest LLC	25,947,024	7.24	46,855,307	12.19

S. No.	Name of the Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Pre-Offer number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
7.	Amit Gupta	3,907,639	1.09	3,907,639	1.02
	Total	**354,646,848**	**98.96**	**375,555,131**	**97.73**

* *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding CCPS and exercise of vested options under the ESOP 2022.*

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:

S. No.	Name of the Shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Pre-Offer number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
Promoter					
1.	O P Munjal Holdings*	273,123,055	76.42	273,123,055	71.50
2.	Pankaj Munjal	9,400,436	2.63	9,400,436	2.46
Promoter Group					
3.	Bhagyoday Investments Private Limited	23,978,804	6.71	23,978,804	6.28
4.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)	10,537,140	2.95	10,537,140	2.76
5.	Hero Cycles Limited	7,752,750	2.17	7,752,750	2.03
Other					
6.	South Asia Growth Invest LLC	25,947,024	7.26	46,855,307	12.27
	Total	**350,739,209**	**98.14**	**371,647,492**	**97.30**

* *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding CCPS and exercise of vested options under the ESOP 2022.*

7. Aggregate pre-Offer Shareholding of our Promoters, the members of our Promoter Group (other than our Promoters) and the Selling Shareholders

a) Promoters

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares as on the date of this Red Herring Prospectus	% of total pre-Offer paid up Equity Share capital on a fully diluted basis**	Number of Equity Shares	% of total post-Offer paid up Equity Share capital on a fully diluted basis**
Promoters					
1.	O P Munjal Holdings*	273,123,055	70.60	[●]	[●]
2.	Pankaj Munjal	9,400,436	2.43	[●]	[●]
3.	Charu Munjal	942,425	0.24	[●]	[●]
4.	Abhishek Munjal	706,210	0.18	[●]	[●]
Total		**284,172,126**	**73.46**	[●]	[●]

* *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

** *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

b) Promoter Group (other than our Promoters)

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares as on the date of this Red Herring Prospectus	% of total pre-Offer paid up equity share capital on a fully diluted basis*	Number of Equity Shares	% of total post-Offer paid up equity share capital on a fully diluted basis**
Promoter Group					
1.	Hero Cycles Limited	7,752,750	2.00	[●]	[●]
2.	Aditya Munjal	707,022	0.18	[●]	[●]
3.	Pankaj Munjal (on behalf of Munjal Sales Corporation)	392,344	0.10	[●]	[●]
4.	Bhagyoday Investments Private Limited	23,978,804	6.20	[●]	[●]
5.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP**)	10,537,140	2.72	[●]	[●]

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares as on the date of this Red Herring Prospectus	% of total pre-Offer paid up equity share capital on a fully diluted basis*	Number of Equity Shares	% of total post-Offer paid up equity share capital on a fully diluted basis**
Total		**43,368,060**	**11.21**	[●]	[●]

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

** *Members of Om Prakash Pankaj Munjal AOP includes Pankaj Munjal and M/s Om Prakash & Sons (HUF).*

c) Selling Shareholders

Sl. No.	Name of the Selling Shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares held as on the date of this Red Herring Prospectus	% of total pre-Offer paid up equity share capital**	Number of Equity Shares	% of total post-Offer paid up equity share capital on a fully diluted basis**
Promoter Selling Shareholder					
1.	O P Munjal Holdings*	273,123,055	70.60	[●]	[●]
Promoter Group Selling Shareholder					
2.	Hero Cycles Limited	7,752,750	2.00	[●]	[●]
	Total	**280,875,805**	**72.60**	[●]	[●]

* *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

** *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

8. History of the equity share capital held by our Promoters, members of the Promoter Group and Selling Shareholders

As on the date of this Red Herring Prospectus, our Promoters, i.e., O P Munjal Holdings, Pankaj Munjal, Charu Munjal and Abhishek Munjal in aggregate hold 284,172,126 Equity Shares, representing 73.46% of the issued, subscribed and paid-up equity share capital of our Company, calculated on a fully diluted basis. The details regarding our Promoters' shareholding are set forth below.

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

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

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
O P Munjal Holdings^							
May 27, 2010@	608,116	Transfer of 608,116 Equity Shares from Thakurdevi Investment Private Limited	Cash	10	51.38	0.16	[●]
September 8, 2010	4,865	Transfer of 4,865 Equity Shares from Suresh Chand Munjal	Cash	10	5.34	Negligible	[●]
September 8, 2010	1,702	Transfer of 1,702 Equity Shares from Ashok Kumar Munjal	Cash	10	52.51	Negligible	[●]
May 21, 2015	(592,327)	Transfer of Equity Shares to Hero Cycles Limited	Cash	10	50	(0.15)	[●]
July 27, 2015	(22,356)	Transfer of Equity Shares to Hero Cycles Limited	Cash	10	50	(0.01)	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
December 19, 2022	273,123,055	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022	Nil	10	Not applicable	70.60	[●]
Sub Total (A)	**273,123,055**					**70.60**	[●]
Pankaj Munjal							
July 15, 2010	15	Transfer of shares received from Brijmohan Lal Munjal	Cash	10	62	Negligible	[●]
August 10, 2010	18	Transfer of shares received from Satya Prakash Alwani	Cash	10	62	Negligible	[●]
September 27, 2018	3,363	Transfer of shares received from Mahendra Girdharilal	Cash	10	29.74	Negligible	[●]
December 19, 2022	9,396,651	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	10	Not applicable	2.43	[●]
May 27, 2024	389	Transmission of shares from (late) Sudarshan Kumari Munjal	Not applicable	10	Not applicable	Negligible	[●]
Sub Total (B)	**9,400,436**					**2.43**	[●]
Charu Munjal							
December 19, 2022	942,425	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face	10	Not applicable	0.24	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
			value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.				
Sub Total (C)	**942,425**					**0.24**	**[●]**
Abhishek Munjal							
December 19, 2022	706,210	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	10	Not applicable	0.18	[●]
Sub Total (D)	**706,210**					**0.18**	**[●]**
Total (A+B+C+D)	**284,172,126**					**73.46**	**[●]**

As certified by Neelam Gupta, Practicing Company Secretary, by way of their certificate dated September 9, 2026.

^ *Also a Promoter Selling Shareholder. Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

@ *Information obtained from the ledger of transferee*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

(b) Build-up of the Equity shareholding of our members of the Promoter Group in our Company

The details regarding the build-up of the equity shareholding of our members of the Promoter Group in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
Hero Cycles Limited^							
August 25, 1998	1,652,820	Further issue	Cash	10	10	0.43	[●]
February 18, 1999	1,118,000	Further issue	Cash	10	10	0.29	[●]
August 23, 1999	390,000	Further issue	Cash	10	10	0.10	[●]
April 7, 2003	7,051,060	Transfer from Majestic Auto Limited	Cash	10	10.08	1.82	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
September 24, 2004	13,500,000	Pursuant to a scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003	Allotment of Equity Shares upon conversion of 0% fully convertible debentures held by the allottees in the Company (then known as Hero Auto Private Limited), and which were allotted to them in lieu of their preference shareholding in Majestic Auto Limited under the terms of the scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.	10	10	3.49	[●]
December 13, 2004	328,498	Transfer from Majestic Auto Limited	Cash	10	15.98	0.08	[●]
July 26, 2006[@]	(21,122,189)	Reduction of capital pursuant to a petition under Sections 100 to 103 of the Companies Act, 1956 for reduction of the issued, subscribed and paid-up share capital of the Company as allowed by the Delhi High Court at New Delhi vide its order dated May 12, 2006.				(5.46)	[●]
September 29, 2007	9,398,387	Further issue	Cash	10	62	2.43	[●]
November 23, 2010	4,475,000	Preferential allotment	Cash	10	80	1.16	[●]
May 21, 2015	592,327	Transfer from Om Prakash Munjal (on behalf of O P Munjal Holdings)	Cash	10	50	0.15	[●]
June 1, 2015	306	Transfer of 34 Equity Shares from Om Prakash Munjal, and 272 Equity Shares from Roma Cycle Manufacturing Company Private Limited.	Cash	10	50	Negligible	[●]
June 8, 2015	1,795	Transfer from Hero Financial Services Limited	Cash	10	50	Negligible	[●]
June 19, 2015	16,351,600	Transfer from Om Prakash Munjal (on	Cash	10	50	4.23	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
		behalf of Munjal Sales Corporation)					
July 27, 2015	22,356	Transfer from Om Prakash Munjal (on behalf of O P Munjal Holdings)	Cash	10	50	0.01	[●]
December 23, 2015	(12)	Transfer of 1 Equity Share each to (i) Bharat Goel (ii) Jatinder Kumar Sharma (iii) Ashok Khanna (iv) Davinder Kumar (v) Pradeep Kumar Mehndiratta (v) R K Trehan (vi) Jagjit Pal (vii) Shanker Jain (viii) Rajesh Kumar Sharma (ix) Avinash Kumar (x) Hardeep Singh Bindra (xi) Satish Kumar	Cash	10	50	Negligible	[●]
December 19, 2022	26,936**	Transfer from public shareholders of our Company pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022	Cash	10	29.50	0.01	[●]
December 30, 2022	(25,947,024)	Transfer to South Asia Growth Invest LLC	Cash	10	69.14	(6.71)	[●]
December 30, 2022	(87,110)	Transfer to South Asia EBT Trust^^	Cash	10	69.14	(0.02)	[●]
Sub Total (A)	**7,752,750**					**2.00**	[●]
Bhagyodaya Investments Private Limited							
September 24, 2004	1,000,000	Pursuant to a scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.	Allotment of Equity Shares made upon conversion of 0% fully convertible debentures held by the allottees in the Company (then known as Hero Auto Private Limited), and which were allotted to them in lieu of their preference shareholding in Majestic Auto Limited under the terms of the scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero	10	10	0.26	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
			Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.				
October 6, 2004	242	Pursuant to a scheme of arrangement between Majestic Auto Limited and the Company (then known as Hero Auto Private Limited) and their respective shareholders and creditors approved by the Delhi High Court at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003.	The Company (then known as Hero Auto Private Limited) allotted approximately 10.39 Equity Shares of face value of ₹10 each of Hero Auto Private Limited to the shareholders of Majestic Auto Limited for every 100 fully paid up Equity Shares held by them in Majestic Auto Limited.	10	Not applicable	Negligible	[●]
July 26, 2006@	(878,826)	Reduction of capital pursuant to a petition under Sections 100 to 103 of the Companies Act, 1956 for reduction of the issued, subscribed and paid-up share capital of the Company as allowed by the Delhi High Court at New Delhi vide its order dated May 12, 2006.				(0.23)	[●]
July 15, 2010	121,651	Transfer from Anadi Investment Private Limited	Cash	10	10	0.03	[●]
	91	Transfer from Rama Munjal	Cash	10	32.18	Negligible	[●]
	386	Transfer from Pawan Kant Munjal	Cash	10	31.45	Negligible	[●]
	4,099	Transfer from Rockman Cycle Industries Limited	Cash	10	10	Negligible	[●]
	10,801	Transfer from Highway Cycles Industries Limited	Cash	10	10.26	Negligible	[●]
	121,387	Transfer from Puja Investment Private Limited	Cash	10	10	0.03	[●]
	121,387	Transfer from Munjal Investment Private Limited	Cash	10	10	0.03	[●]
	48,554	Transfer from Ashok Munjal C/O Munjal Castings	Cash	10	10.35	0.01	[●]
	10,721	Transfer from Sameer Munjal (on	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
		behalf of Hero Exports)					
	401	Transfer from Vijay Kumar Munjal (Dayanand and Sons)	Cash	10	32.20	Negligible	[●]
September 8, 2010	2,585	Transfer from Satyanand Munjal	Cash	10	10	Negligible	[●]
December 19, 2022	23,415,325	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022 For details, see "*History and Certain Corporate Matters – Scheme of arrangement between our Company and Hero Cycles Limited and their respective shareholders and creditors*" on page 305.	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid-up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	10	Not applicable	6.05	[●]
Sub Total (B)	**23,978,804**					**6.05**	[●]
Aditya Munjal							
December 19, 2022	707,022	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022 For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 305.	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	10	Not applicable	0.18	[●]
Sub Total (C)	**707,022**					**0.18**	[●]
Munjal Sales Corporation*							

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
January 30, 2003	2,000,000	Transfer from Briggs & Stratton International Inc.	Cash	10	10	0.52	[●]
October 6, 2004	41,832	Transfer from Majestic Auto Limited	The Company (then known as Hero Auto Private Limited) allotted approximately 10.39 Equity Shares of face value of ₹10 each of Hero Auto Private Limited to the shareholders of Majestic Auto Limited for every 100 fully paid up Equity Shares held by them in Majestic Auto Limited.	10	12	0.01	[●]
July 26, 2006[@]	(1,793,982)	Reduction of capital pursuant to a petition under Sections 100 to 103 of the Companies Act, 1956 for reduction of the issued, subscribed and paid-up share capital of the Company as allowed by the Delhi High Court at New Delhi vide its order dated May 12, 2006.				(0.46)	[●]
May 27, 2010[#]	6,770,023	Transfer from Hero Investments Private Limited	Cash	10	49.59	1.75	[●]
	8,514,068	Transfer from Bahadur Chand Investments Private Limited	Cash	10	52.32	2.20	[●]
	1,051,720	Transfer from Dayanand Munjal Investments Private Limited	Cash	10	49.87	0.27	[●]
September 8, 2010	7,447	Transfer from Bahadur Chand Investments Private Limited	Cash	10	52.32	Negligible	[●]
	8,342	Transfer from Hero Investments Private Limited	Cash	10	49.59	Negligible	[●]
September 8, 2010	(4,865)	Transfer to O P Munjal Holdings	Cash	10	5.34	Negligible	[●]
June 19, 2015	(16,351,600)	Transfer to Hero Cycles Limited	Cash	10	50	(4.23)	[●]
December 19, 2022	149,359	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022 For details, see "*History and Certain Corporate Matters – Details regarding*	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each	10	Not applicable	0.04	[●]

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
		material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years" on page 305.	outstanding B-class equity shares held in Hero Cycles Limited.				
Sub Total (D)	**392,344**					**0.10**	[●]
Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)*							
December 19, 2022	10,537,140	Allotment pursuant to the scheme of arrangement between Hero Cycles Limited and the Company sanctioned by the National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022 For details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 305.	Our Company issued to the shareholders of Hero Cycles Limited, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in Hero Cycles Limited, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in Hero Cycles Limited.	10	Not applicable	2.72	[●]
Sub Total (E)	**10,537,140**					**2.72**	[●]
Total (A+B+C+D+E)	**43,368,060**					**11.21**	[●]

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

^ *Also a Promoter Group Selling Shareholder.*

** *Pursuant to the 2022 Scheme of Arrangement, Hero Cycles Limited is the legal and beneficial owner of 95 Equity Shares held by 12 shareholders who are appearing on the BENPOS statement of our Company as on the date of this RHP, on account of rejection of corporate action for transfer of the Equity Shares from the accounts of the 12 shareholders to HCL due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective brokers. Our Company had filed an exemption application dated December 18, 2024 under Regulation 300(1)(c) of the SEBI ICDR Regulations from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to imposition of statutory lock-in on these 95 Equity Shares held by the 12 shareholders, pursuant to which SEBI vide its letter dated May 2, 2025, has granted the aforesaid exemption to our Company. For further information, see "Risk Factors – Our Company has availed exemption from SEBI in respect of the requirement of complying with statutory lock-in under SEBI ICDR Regulations in respect of certain Equity Shares, which requires us to comply with certain conditions including submissions/undertakings provided by our Company. Any failure by our Company to comply with these conditions may lead to non-compliance with the exemption granted by SEBI." on page 28.*

*** *Held by Pankaj Munjal on behalf of Munjal Sales Corporation.*

^^ *Shares held by Orbis Trusteeship Services Private Limited, on behalf of South Asia EBT Trust.*

@ *Order of the High Court of Delhi sanctioning the Scheme of Capital Reduction was issued on July 12, 2006 and was registered with Registrar of Companies, NCT of Delhi & Haryana on July 26, 2006*

\# *Information obtained from the ledger of transferee*

**** *Please note that following are the members of the Om Prakash Pankaj Munjal AOP:*

(a) Pankaj Munjal; and

(b) Om Prakash & Sons (HUF).

(c) Build-up of the Equity shareholding of the Selling Shareholders in our Company

The details regarding the build-up of the equity shareholding of the Selling Shareholders, namely O P Munjal Holdings and Hero Cycles Limited have been disclosed on pages 95 and 97, respectively.

The details of shareholding of Selling Shareholders as on the date of this Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer equity share capital on a fully diluted basis(%)***	Post-Offer number of Equity Shares^	Percentage of the post-Offer Equity Share capital (%)^
Promoter Selling Shareholder					
1.	O P Munjal Holdings*	273,123,055	70.60	[●]	[●]
Promoter Group Selling Shareholder (other than the Promoter Selling Shareholder)					
2.	Hero Cycles Limited**	7,752,750	2.00	[●]	[●]
Total		**280,875,805**	**72.60**	[●]	[●]

* *Held by Pankaj Munjal on behalf of O P Munjal Holdings. O P Munjal Holdings is also a Promoter of our Company. For details of the build-up of Equity shareholding, please see "– History of the equity share capital held by our Promoters, members of the Promoter Group and Selling Shareholders - Build-up of the Equity shareholding of our Promoters in our Company" on page 95.*

** *Hero Cycles Limited is also member of the Promoter Group of our Company. For details of the build-up of their Equity shareholding, please see "– History of the equity share capital held by our Promoters, members of the Promoter Group and Selling Shareholders - Build-up of the Equity shareholding of our members of the Promoter Group in our Company" on page 97.*

*** *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

^ *To be updated at Prospectus stage*

Shareholding of our Promoters and Promoter Group

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares on a fully diluted basis	Percentage of the pre-Offer equity share capital on a fully diluted basis(%)^^	Post-Offer number of Equity Shares^^^	Percentage of the post-Offer Equity Share capital (%)^^^
Promoters					
1.	O P Munjal Holdings^	273,123,055	70.60	[●]	[●]
2.	Pankaj Munjal	9,400,436	2.43	[●]	[●]
3.	Charu Munjal	942,425	0.24	[●]	[●]
4.	Abhishek Munjal	706,210	0.18	[●]	[●]
Promoter Group					
5.	Hero Cycles Limited	7,752,750	2.00	[●]	[●]
6.	Aditya Munjal	707,022	0.18	[●]	[●]
7.	Pankaj Munjal (on behalf of Munjal Sales Corporation)	392,344	0.10	[●]	[●]
8.	Bhagyoday Investments Private Limited	23,978,804	6.20	[●]	[●]
9.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP)	10,537,140	2.72	[●]	[●]
Total		**327,540,186**	**84.67**	[●]	[●]

^ *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^^ *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

^^^ *To be updated at Prospectus stage*

9. Pre-Offer shareholding as at the date of this Red Herring Prospectus and post-Offer shareholding as at Allotment for Promoter, members of the Promoter Group and additional top 10 shareholders

Except as disclosed below, none of our Promoter, members of Promoter Group and additional top 10 shareholders hold any Equity Shares in our Company as at the date of this Red Herring Prospectus:

S. No.	Pre-Offer shareholding at the date of this Red Herring Prospectus			Post-Offer shareholding as at the date of Allotment**			
	Name of the shareholder	Number of Equity Shares on a fully diluted basis&	Shareholding on a fully diluted basis (in %)&	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares*	Shareholding (in %)*	Number of Equity Shares*	Shareholding (in %)*
Promoter							
1.	O P Munjal Holdings^	273,123,055	70.60%	[●]	[●]	[●]	[●]
2.	Pankaj Munjal	9,400,436	2.43%	[●]	[●]	[●]	[●]

S. No.	Pre-Offer shareholding at the date of this Red Herring Prospectus			Post-Offer shareholding as at the date of Allotment**			
	Name of the shareholder	Number of Equity Shares on a fully diluted basis&	Shareholding on a fully diluted basis (in %)&	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares*	Shareholding (in %)*	Number of Equity Shares*	Shareholding (in %)*
3.	Charu Munjal	942,425	0.24%	[●]	[●]	[●]	[●]
4.	Abhishek Munjal	706,210	0.18%	[●]	[●]	[●]	[●]
Promoter Group							
1.	Hero Cycles Limited	7,752,750	2.00%	[●]	[●]	[●]	[●]
2.	Aditya Munjal	707,022	0.18%	[●]	[●]	[●]	[●]
3.	Bhagyoday Investments Private Limited	23,978,804	6.20%	[●]	[●]	[●]	[●]
4.	Pankaj Munjal (on behalf of Munjal Sales Corporation)	392,344	0.10%	[●]	[●]	[●]	[●]
5.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP^^)	10,537,140	2.72%	[●]	[●]	[●]	[●]
Additional top 10 Shareholders#							
1.	South Asia Growth Invest LLC	46,855,307	12.11%	[●]	[●]	[●]	[●]
2.	Amit Gupta	5,584,167	1.44%	[●]	[●]	[●]	[●]
3.	Keshav Misra	1,000,000	0.26%	[●]	[●]	[●]	[●]
4.	Shri Parasram Commodities Pvt. Ltd.	203,222	0.05%	[●]	[●]	[●]	[●]
5.	Madhu Dalmia	160,000	0.04%	[●]	[●]	[●]	[●]
6.	South Asia EBT Trust^^^	150,768	0.04%				
7.	Vinay Bansal	115,000	0.03%	[●]	[●]	[●]	[●]
8.	Vimal Kumar Bansal	115,000	0.03%	[●]	[●]	[●]	[●]
9.	Shyam Sunder Bansal	110,000	0.03%	[●]	[●]	[●]	[●]
10.	Vansh Garg	100,000	0.03%	[●]	[●]	[●]	[●]
Other public Shareholders							
11.	-@	853,355	0.22%	[●]	[●]	[●]	[●]
	Total	**382,787,005**	**98.95%**	[●]	[●]	[●]	[●]

^ *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*

^^ *Members of Om Prakash Pankaj Munjal AOP includes Pankaj Munjal and M/s Om Prakash & Sons (HUF).*

^^^ *Shares held by Orbis Trusteeship Services Private Limited, on behalf of South Asia EBT Trust.*

* *The pre-Offer and post-Offer shareholding shall be updated in the Prospectus.*

** *Assuming full subscription in the Offer. The post-Offer shareholding details as at Allotment will be based on the actual subscription and the Offer Price and updated in the Prospectus, subject to finalization of the Basis of Allotment.*

To be updated in the Prospectus.

& *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022*

@ *As on the date of this Red Herring Prospectus, our Company has 929 other public Shareholders (based on beneficiary position statement available on September 8, 2026).*

10. Details of price at which specified securities were acquired by our Promoters, the members of the Promoter Group, the Selling Shareholders, and Shareholders with rights to nominate directors or have other rights in the last three years preceding this Red Herring Prospectus

Except as disclosed below, our Promoters, members of the Promoter Group, the Selling Shareholders, and Shareholder(s) with nominee director rights or other rights have not acquired any Equity Shares and CCPS in the last three years preceding the date of this Red Herring Prospectus:

Equity Shares

Name of the shareholders*	Date of acquisition	Number of Equity Shares acquired/allotted	Acquisition price per Equity Share (in ₹)
Promoters			
Pankaj Munjal	May 27, 2024	389	NA**
Promoter Group			
Nil			
Shareholders with special rights (other than Promoters and members of the Promoter Group)			
South Asia Growth Invest LLC	September 4, 2026	20,908,283	0.00***
South Asia EBT Trust#	September 4, 2026	63,658	0.00***

**As certified by Ramesh C Agrawal & Co., Chartered Accountants, pursuant to their certificate dated September 9, 2026.*
*** Since Equity Shares were transmitted from Late Sudarshan Kumari Munjal to Pankaj Munjal*
[#] Shares held by Orbis Trusteeship Services Private Limited on behalf of South Asia EBT Trust.
**** The CCPS held by South Asia Growth invest LLC and South Asia EBT Trust have been converted into Equity Shares at a ratio of 1:1, pursuant to the resolution of our Board dated September 4, 2026. The consideration was paid at the time of allotment of CCPS.*

CCPS

Nil

11. Weighted average cost of acquisition of all Equity Shares held by our Promoters and Selling Shareholders as on the date of this Red Herring Prospectus and acquired in the last one year preceding the date of this Red Herring Prospectus

The weighted average cost of acquisition of Equity Shares held by our Promoters and Selling Shareholders as on the date of this Red Herring Prospectus and acquired in the last one year preceding the date of this Red Herring Prospectus is set as follows:

Name*	Number of Equity Shares held as on the date of this Red Herring Prospectus	Weighted average cost of acquisition per Equity Share (in ₹)	Number of equity shares acquired in the one year preceding the date hereof	Weighted average price of acquisition per Equity Share acquired in last one year (in ₹)*
Promoters				
O P Munjal Holdings[**^]	273,123,055	0.03[#]	Nil	Nil
Pankaj Munjal	9,400,436	0.04	Nil	Nil
Charu Munjal	942,425	0.03[#]	Nil	Nil
Abhishek Munjal	706,210	0.03[#]	Nil	Nil
Selling Shareholders				
Hero Cycles Limited[+]	7,752,750	10.07	Nil	Nil

^ *Also a Promoter Selling Shareholder.*
* *As certified by Ramesh C Agrawal & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2026.*
\+ *Also a member of Promoter Group*
** *Held by Pankaj Munjal on behalf of O P Munjal Holdings.*
[#] *The weighted average cost is ₹0.027 per Equity Share and has been rounded to ₹0.03.*

12. Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years preceding the date of this Red Herring Prospectus by the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights

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 1 year	NIL	[●]	NIL
Last 18 months	NIL	[●]	NIL
Last 3 years	NIL	[●]	NIL

* *As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to their certificate dated September 9, 2026.*
^ *To be updated in the Prospectus following finalisation of Cap Price, as per the finalised Price Band.*

13. Details of Promoters' Contribution and Lock-in

a) In accordance with Regulation 14 and Regulation 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 our Promoters, shall be locked in for a period of three years or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of one year from the date of Allotment.

b) The details of the Equity Shares to be locked-in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

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

Note: To be updated in the Prospectus
* *Subject to finalisation of Basis of Allotment*

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the Equity Share capital held by our Promoters, see "- *History of the equity share capital held by our Promoters*" on page 95.

In this connection, we confirm that the Equity Shares considered as Promoters' Contribution:

(i) have not been acquired during the immediately preceding three years from the date of the Draft Red Herring Prospectus and this Red Herring Prospectus for consideration other than cash and any revaluation of assets or capitalisation of intangible assets was not involved in such transactions;

(ii) did not result from a bonus issue of equity shares of our Company during the immediately preceding three years from the date of the Draft Red Herring Prospectus and this Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of our Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoters' Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of the Draft Red Herring Prospectus and this this Red Herring Prospectus at a price lower than the price at which the equity shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company and no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus.

14. Details of Equity Shares locked-in for six months:

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years and the remaining post-Offer shareholding held by our Promoters in our Company which is locked in for one year, in terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except for (i) any Equity Shares held by the employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees) of our Company which have been or will be allotted to them under the ESOP 2022; (ii) the Equity Shares held by Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by such VCFs or Category I AIFs or Category II AIFs or FVCI Shareholders respectively, and (iii) Offered Shares, which

are successfully transferred as part of the Offer for Sale. In the event where lock-in of such pre-Offer Equity Share capital of our Company cannot be created, the relevant Depositories, upon instructions from our Company, shall record such Equity Shares as 'non-transferable' for such duration of six months from the date of Allotment in the Offer.

15. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

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

16. Other requirements

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.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of three years from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to any other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

17. Except for the grant of options and/or allotment of Equity Shares upon exercise of options vested pursuant to the ESOP 2022 and 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, 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 otherwise.

18. Except for any issue of Equity Shares pursuant to Fresh Issue and grant of options and/or exercise of options vested under ESOP 2022, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

19. As on the date of filing of this Red Herring Prospectus, the total number of Shareholders of our Company is 948. Additionally, pursuant to the 2022 Scheme of Arrangement, HCL is the legal and beneficial owner of 95 Equity Shares held by 12 individuals/entities who are appearing on the BENPOS statement of our Company as on the date of this RHP, on account of rejection of corporate action for transfer of the Equity Shares from accounts of the 12 shareholders to HCL due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective brokers. Accordingly, the 95 Equity Shares held by the 12 individuals are being counted towards HCL's shareholding.

20. Except as disclosed below, and in " *– Build-up of the Equity shareholding of our members of the Promoter Group in our Company*" and " *– Build-up of the Equity shareholding of our Promoters in our Company*" on pages 97 and 95, none of the members of the Promoter Group, Promoters and Directors of our Company nor any of their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

Date of allotment/ transfer	No. of Equity Shares	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Issue Price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)*	Percentage of the post-Offer capital (%)
May 27, 2026	(50,000)	Transfer of Equity Shares from Amit Gupta to Gulshan Kumar Agarwal	Cash	10	90	(0.01%)	[●]
May 29, 2026	951,528	Allotment of 951,528 Equity Shares to Amit Gupta pursuant to exercise of employee stock options under ESOP 2022	Cash	10	10	0.25%	[●]
May 29, 2026	(160,000)	Transfer of Equity Shares from Amit Gupta to Madhu Dalmia	Cash	10	90	(0.04%)	[●]
June 03, 2026	(100,000)	Transfer of Equity Shares from Amit Gupta to Vansh Garg	Cash	10	90	(0.03%)	[●]
June 03, 2026	(115,000)	Transfer of Equity Shares from Amit Gupta to Vinay Bansal	Cash	10	90	(0.03%)	[●]
June 05, 2026	(50,000)	Transfer of Equity Shares from Amit Gupta to Anirudh Singhal	Cash	10	90	(0.01%)	[●]
June 08, 2026	(115,000)	Transfer of Equity Shares from Amit Gupta to Vimal Kumar Bansal	Cash	10	90	(0.03%)	[●]
June 10, 2026	(110,000)	Transfer of Equity Shares from Amit Gupta to Shyam Sunder Bansal	Cash	10	90	(0.03%)	[●]
June 22, 2026	(75,000)	Transfer of Equity Shares from Amit Gupta to Sambhav Aggarwal	Cash	10	105	(0.02%)	[●]
September 04, 2026	1,500,000	Allotment of 1,500,000 Equity Shares to Amit Gupta, pursuant to exercise of employee stock options under ESOP 2022;	Cash	10	69.14	0.39%	[●]
September 04, 2026	1,000,000	Allotment of 1,000,000 Equity Shares to Keshav Misra, pursuant to exercise of employee stock options under ESOP 2022;	Cash	10	69.14	0.26%	[●]

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

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

22. As on the date of this Red Herring Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.

23. Our Company, any of our Directors and the Book Running Lead Managers have not entered into any buy back arrangements for purchase of Equity Shares from any person.

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

25. Except for the Offer for Sale by the Promoter Selling Shareholder, the members of the Promoter Group shall not participate in the Offer nor receive any proceeds from the Offer.

26. No person connected with the Offer shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

27. As on the date of this Red Herring Prospectus, none of the Book Running Lead Managers or their respective associates (as defined in the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company. The Book Running Lead Managers and their affiliates may engage in the 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.

28. Except for options granted under ESOP 2022, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Red Herring Prospectus.

29. Except as disclosed below, none of our Directors or Key Managerial Personnel or members of the Senior Management hold any Equity Shares of our Company.

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully-diluted basis(%)*	Percentage of the post-Offer Equity Share capital (%)^
1.	Pankaj Munjal	9,400,436	2.43	[●]
2.	Abhishek Munjal	706,210	0.18	[●]
3.	Pankaj Munjal on behalf of Om Prakash Pankaj Munjal AOP**	10,537,140	2.72	[●]
4.	Pankaj Munjal on behalf of O P Munjal Holdings	273,123,055	70.60	[●]
5.	Pankaj Munjal on behalf of Munjal Sales Corporation	392,344	0.10	[●]
6.	Amit Gupta	5,584,167	1.44	[●]
7.	Keshav Misra	1,000,000	0.26	[●]
Total		**300,743,352**	**77.74**	[●]

**Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

*** Members of Om Prakash Pankaj Munjal AOP includes Pankaj Munjal and M/s Om Prakash & Sons (HUF).*

Sr. No.	*Name of Member*	*Share in profit and losses of Om Prakash Pankaj Munjal AOP*
1.	*Pankaj Munjal*	*90.00%*
2.	*M/s Om Prakash & Sons (HUF)*	*10.00%*
Total		***100.00%***

^ *To be updated at Prospectus stage*

30. Our Company shall ensure that all transactions in the Equity Shares of our Company by our Promoters and the Promoter Group 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 transactions.

31. All the Equity Shares held by our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, members of Senior Management, employees, QIBs, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable, are held in dematerialised form.

32. Employee Stock Options Scheme of our Company

ESOP 2022

Pursuant to the resolutions passed by the Board on December 1, 2022 and the Shareholders' on December 2, 2022 our Company adopted the "Hero Motors Employees Stock Option Plan 2022" ("**ESOP 2022**"). The ESOP 2022 was last amended pursuant to the resolutions passed by the Board on July 16, 2024 and the Shareholders' on August 12, 2024. The objective of ESOP 2022 is (i) to reward the eligible employees of the Company and its subsidiary company(ies) in India and abroad for their performance and motivate them to contribute to the growth and profitability of the

Company; (ii) to attract and retain talents in the organization; and (iii) to enable employees to get a share in the value they create for the Company in the future. The ESOP 2022 is in compliance with the SEBI SBEB & SE Regulations.

The grants under ESOP 2022 have been and shall be in compliance with the Companies Act. All options granted under the ESOP 2022 have been granted only to persons who are, at the time of grant, employees of the Company and / or its subsidiaries (as such term is defined under the Companies Act and the SEBI SBEB & SE Regulations, as applicable).

As on the date of this Red Herring Prospectus, under ESOP 2022, an aggregate of 21,230,763 options have been granted, of which 847,186 options have either lapsed, been forfeited or cancelled, 12,146,893 options are outstanding, 7,555,534 options have been vested and 8,236,684 options have been exercised.

<table>
<tr><th>Particulars</th><th>Fiscal 2024</th><th>Fiscal 2025</th><th>Fiscal 2026</th><th>From April 1, 2026 to the date of filing of this Red Herring Prospectus</th></tr>
<tr><td>Options granted</td><td>734,775</td><td>806,358</td><td>121,836</td><td>NIL</td></tr>
<tr><td>Options vested (excluding options that have been exercised)</td><td>3,568,179</td><td>1,335,676</td><td>2,618,443</td><td>33,236</td></tr>
<tr><td>Options exercised</td><td>NIL</td><td>3,806,111</td><td>951,528</td><td>3,479,045</td></tr>
<tr><td>Exercise price of options</td><td>NIL</td><td>10</td><td>10</td><td>(i) 951,528 ESOPs were exercised at ₹ 10; and
(ii) 2,527,517 ESOPs were exercised at ₹ 69.14</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td>232,045</td><td>137,847</td><td>407,714</td><td>69,580</td></tr>
<tr><td>Total number of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)</td><td>20,070,524</td><td>16,932,924</td><td>15,695,518</td><td>12,146,893</td></tr>
<tr><td>Variation of terms of options</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Money realized by exercise of options during the year/period</td><td>NIL</td><td>38,061,110</td><td>9,515,280</td><td>184,267,805</td></tr>
<tr><td>Total number of options in force</td><td>20,070,524</td><td>16,932,924</td><td>15,695,518</td><td>12,146,893</td></tr>
<tr><td colspan="5">Employee wise details of options granted to:</td></tr>
<tr><td>Key Managerial Personnel (KMPs) of the Company</td><td>Nil</td><td></td><td></td><td></td></tr>
<tr><td>Senior Management Personnel (SMPs) of the Company</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Holger Jens Pries</td><td>20,011</td></tr><tr><td>Agnes Germaine Madeleine Ragondet</td><td>20,136</td></tr></table></td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Anil Rathi</td><td>50,000</td></tr><tr><td>Chandra Shekhar Mittal</td><td>50,000</td></tr><tr><td>Sanjay Singh Suryavanshi</td><td>50,000</td></tr><tr><td>Ashish Narukulla</td><td>50,000</td></tr><tr><td>Gopinath MK</td><td>50,000</td></tr></table></td><td>NIL</td><td>NIL</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Fiscal 2024</th><th>Fiscal 2025</th><th>Fiscal 2026</th><th>From April 1, 2026 to the date of filing of this Red Herring Prospectus</th></tr>
<tr><td>Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Ritesh Kumar Agrawal</td><td>89,486</td></tr><tr><td>Anil Rathi</td><td>50,000</td></tr><tr><td>Chandra Shekhar Mittal</td><td>50,000</td></tr><tr><td>Ajay Sood</td><td>50,000</td></tr><tr><td>Sanjay Singh Suryavanshi</td><td>50,000</td></tr><tr><td>Ashish Narukulla</td><td>50,000</td></tr><tr><td>Gopinath MK</td><td>50,000</td></tr><tr><td>Andy Morley</td><td>50,000</td></tr><tr><td>Anuj Kumar Singh</td><td>50,000</td></tr><tr><td>Mark Ingram</td><td>50,000</td></tr></table></td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Utkarsh Sanghi</td><td>41,655</td></tr><tr><td>Anuj Thakur</td><td>16,120</td></tr><tr><td>Raghu Nandan</td><td>38,878</td></tr><tr><td>Prem Narayan Chahuhan*</td><td>25,183</td></tr></table>*Rahul Chauhan is legal heir of late Shri Prem Narayan Chauhan, our erstwhile employee.</td><td>NIL</td></tr>
<tr><td>Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Amit Gupta</td><td>14,458,789</td></tr><tr><td>Keshav Misra</td><td>3,954,809</td></tr></table></td><td>NIL</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard ‘Earning Per Share’</td><td>₹0.35</td><td>₹0.66</td><td>₹1.14</td><td>Not applicable</td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals</td><td colspan="4">Not applicable, since the fair value using Black Scholes model has been used for calculating employee compensation cost.</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td colspan="4">The fair value of option granted is estimated using the Black Scholes Option Pricing model.</td></tr>
<tr><td>Impact on profits and EPS of the last three years if our</td><td colspan="4">Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI SBEB & SE Regulations.</td></tr>
</table>

Particulars	Fiscal 2024	Fiscal 2025	Fiscal 2026	From April 1, 2026 to the date of filing of this Red Herring Prospectus
Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years				
Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Some of the Key Managerial Personnel or Non-Executive Director may sell Equity shares allotted to them pursuant to exercise of the options held by them under ESOP 2022, within three months after the date of listing of the Equity shares of our Company pursuant to the Offer.			
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Amit Gupta, our Managing Director and CEO may sell upto 1,000,000 Equity Shares held by him which have been allotted pursuant to exercise of the options held by him under ESOP 2022, within three months after the date of listing of the Equity shares of our Company pursuant to 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 their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer 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. For further details of the Offer for Sale, please see below and see "*The Offer*" and "*Other Regulatory and Statutory Disclosures*" on pages 64 and 491, respectively.

Name of the Selling Shareholder	Pre-Offer		Post-Offer		Maximum number/ amount of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization letter	Date of consent letter
	Number of Equity Shares held as on the date of this Red Herring Prospectus	% of total pre-Offer paid up equity share capital**	Number of Equity Shares	% of total post-Offer paid up equity share capital on a fully diluted basis**			
Promoter Selling Shareholder							
O P Munjal Holdings *	273,123,055	70.60	[●]	[●]	Up to ₹3,950.00 million	January 10, 2025	August 27, 2026
Promoter Group Selling Shareholder							
Hero Cycles Limited	7,752,750	2.00	[●]	[●]	Up to ₹50.00 million	March 7, 2025	August 27, 2026

* *Shares held by Pankaj Munjal on behalf of OP Munjal Holdings.*

** *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022.*

Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Repayment/prepayment/redemption, in full or in part, of certain outstanding borrowings availed by our Company;

2. Capital expenditure of our Company through purchase of equipment required for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh facility; and

3. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

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

In addition to the above Objects, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges, 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; (ii) to undertake the activities proposed to be funded from the Net Proceeds; and (iii) the activities towards which the loans proposed to be repaid/ prepaid from the Net Proceeds were utilized.

Net Proceeds

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

Particulars	Amount *(₹ million)*
Gross proceeds of the Fresh Issue	Up to 6,000.00*
(*Less*) Offer-related expenses in relation to the Fresh Issue[(1)]	[●]
Net Proceeds[(2)]	[●]

(1) *See "—Offer Related Expenses" on page 122.*

(2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Estimated Amount *(₹ million)*
Repayment/prepayment/redemption in full or in part, of certain outstanding borrowings availed by our Company;	1,900.00

Particulars	Estimated Amount
	(₹ million)
Capital expenditure of our Company through purchase of equipment required for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh facility	2,000.00
Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes[(1)(2)s]	[●]
Net Proceeds[(2)]	[●]

(1) The cumulative amount to be utilized towards inorganic growth through unidentified acquisition and other strategic initiatives and general corporate purposes shall not exceed 35% of the Gross Proceeds from the Fresh Issue. The amount to be utilized for general corporate purposes shall not exceed 25% of gross proceeds from the Fresh Issue. Further, the amount utilized for the object of funding inorganic growth through unidentified acquisitions and other strategic initiatives shall not exceed 25% of the Gross Proceeds from the Fresh Issue

(2) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

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	Total estimated costs	Estimated utilization from Net Proceeds	Estimated schedule of deployment of Net Proceeds		
			Financial Year 2027	Financial Year 2028	Financial Year 2029
	(₹ million)				
Repayment/prepayment/redemption, in full or in part, of certain outstanding borrowings availed by our Company	1,900.00	1,900.00	1,900.00	-	-
Capital expenditure of our Company through purchase of equipment for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh facility	2,000.00	2,000.00	660.00	600.00	740.00
Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes[(1)(2)]	[●]	[●]	[●]	[●]	[●]
Net Proceeds	[●]	[●]	[●]	[●]	[●]

(1) The cumulative amount to be utilized towards inorganic growth through unidentified acquisition and other strategic initiatives and general corporate purposes shall not exceed 35% of the Gross Proceeds from the Fresh Issue. The amount to be utilized for general corporate purposes shall not exceed 25% of gross proceeds from the Fresh Issue. Further, the amount utilized for the object of funding inorganic growth through unidentified acquisitions and other strategic initiatives shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

(2) The amount to be spent towards funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes will be authorized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

The above fund requirements are based on our current business plan, management estimates, other commercial and technical factors including interest rates and other charges, and the financing and other agreements entered into by our Company, quotations received from third-party vendors, which are subject to change in the future and have not been appraised by any agency. These are based on current conditions and are subject to revisions in light of changes in costs, our financial condition, our business operations or growth strategy or external circumstances which may not be in our control. For further details of our proposed capital expenditure, see "*—Details of the Objects – Capital expenditure through purchase of equipment for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh facility*" on page 119.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, one or more of the other objects as set out above, and/or towards funding any other purpose, and/or general corporate purposes, subject to applicable laws to the extent that (a) the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations; (b) the cumulative amount to be utilized for general corporate purposes and our object of 'funding inorganic growth through unidentified acquisitions and other strategic initiatives' shall not exceed 35% of the Gross Proceeds; and (c) the amount to be utilized for our object of 'funding inorganic growth through acquisitions and other strategic initiatives' shall not exceed 25% of the Gross Proceeds, and in compliance with the objectives as set out under "*—Details of the Objects — Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes*" below and will be consistent with the requirements of our business. The estimated schedule of deployment of Net Proceeds is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion in accordance with applicable law.

For further information on factors that may affect our internal management estimates, see "*Risk Factors — Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank, financial institution, or any other independent agency, which may affect our business and results of operations. Further, the schedule of the implementation of the Objects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.*" on page 40.

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 Regulation 7(1)(e) the SEBI ICDR Regulations.

Details of the Objects

1. *Repayment/prepayment/redemption, in full or in part, of certain outstanding borrowings availed by our Company*

Our Company has entered into various borrowing arrangements in the form of terms loans and various fund based and non-fund based working capital facilities. As on July 31, 2026, we had outstanding borrowings of ₹2,895.45 million in the form of term loan and cash credit / WCDL (excluding overdraft facility availed against fixed deposit) on a standalone basis. For more information, please see '*Financial Indebtedness*' on page 441.

Our Company intends to utilize an aggregate amount of ₹1,900.00 million from the Net Proceeds towards repayment/ prepayment/ redemption of all or a portion of certain outstanding borrowings availed by our Company, comprising 44.49 % of our total borrowings on a standalone basis as of July 31, 2026. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds, as per the requirements of the Company. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals of our Company. Given the nature of the borrowings and the terms of repayment/ prepayment/ redemption, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. We believe that such repayment or prepayment or redemption will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion.

In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid or redeemed amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay/ redeem the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding.

The following table sets forth our details of credit rating received as of the date of this Red Herring Prospectus:

Rating Agency	Instruments	Credit Rating	Date
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable Short term - CRISIL A1 (Reaffirmed)	April 24, 2023
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	April 5, 2024
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	December 11, 2024
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	July 2, 2025
CRISIL Limited	Bank Loan Facility	Long term - CRISIL A+ /Stable (Reaffirmed) Short term - CRISIL A1 (Reaffirmed)	August 24, 2026

The below table provides the details of the outstanding amount of borrowings availed by our Company, as on July 31, 2026, which we propose to pre-pay/ repay, in full or in part, from the Net Proceeds for an aggregate amount of ₹1,900.00 million:

S. No	Name of the lender/	Nature of borrowings	Date of Sanction/Agreement	Amount Sanctioned (₹ in million)	Amount outstanding as on July 31, 2026 (₹ in million)	Date of disbursement	Effective Interest rate as on July 31, 2026	Repayment schedule/ tenor	Prepayment penalty conditions	Purpose for which disbursed loan amount was sanctioned and utilized	Whether used for capital expenditure (Yes/No)
1.	**Axis Bank Limited**	Cash Credit/Working Capital Demand Loan**	Sanction Letter dated November 1, 2022, as last amended on November 17, 2025	1,750.00	1,175.60	July 24, 2026 July 25, 2026 July 28, 2026	7.10%	12 months	Waived pursuant to consent letter dated May 24, 2024	To meet the working capital requirements	No
2.		Term Loan I	Sanction Letter dated November 1, 2022 as last amended on November 17, 2025	350.00	125.95	December 29, 2022 January 9, 2023 March 2, 2023 May 31, 2023 June 30, 2023	7.35%	60 months	Waived pursuant to consent letter dated May 24, 2024	Capital expenditure	Yes
3.		Term Loan II	Sanction letter dated November 22, 2023, as last amended on November 17, 2025	250.00	155.53	December 11, 2023 January 8, 2024 February 23, 2024 June 18, 2024 November 25, 2024 November 27, 2024 December 02, 2024 December 11, 2024	7.35%	60 months	Waived pursuant to consent letter dated May 24, 2024	Capital expenditure	Yes
4.		Term Loan III	Sanction letter dated July 11, 2025	400.00	339.39	August 29, 2025 October 28, 2025 December 5, 2025 December 17, 2025 January 20, 2026 February 5, 2026 March 19, 2026 April 7, 2026 April 16, 2026 May 5, 2026 May 22, 2026 May 25, 2026 June 2, 2026 June 11, 2026 July 15, 2026	7.60%	60 months	Waived pursuant to consent letter dated May 24, 2024	Capital expenditure	Yes
5.		ECB for Thai Project**	Sanction letter dated December 26, 2022 as last amended on November 17, 2025.	289.20	147.38	March 2, 2023 March 20, 2023	6.65%	60 months	Waived pursuant to consent letter dated June 3, 2024	Infusion in Hero Motors Thai Limited in the form of unsecured loan permitted under the overseas investment guidelines.	Yes

S. No	Name of the lender/	Nature of borrowings	Date of Sanction/Agreement	Amount Sanctioned (₹ in million)	Amount outstanding as on July 31, 2026 (₹ in million)	Date of disbursement	Effective Interest rate as on July 31, 2026	Repayment schedule/ tenor	Prepayment penalty conditions	Purpose for which disbursed loan amount was sanctioned and utilized	Whether used for capital expenditure (Yes/No)
6.	**Kotak Mahindra Bank Limited**	Term Loan	Sanction Letter dated December 5, 2023, as last amended on July 15, 2025.	250.00	153.28	January 25, 2024 April 10, 2024 June 7, 2024 September 4, 2024 September 20, 2024 September 26, 2024	7.40%	60 months	Waived pursuant to Sanction Letter dated May 17, 2024	For capital expenditure	Yes
7.		Working Capital Demand Loan***	Sanction letter dated June 5, 2023, as last amended on July 15, 2025	730.00	322.23	June 19, 2026 June 23, 2026 June 24, 2026 June 25, 2026 June 26, 2026 June 29, 2026 June 30, 2026 July 29, 2026 July 31, 2026	7.84%	12 months	Waived pursuant to Sanction Letter dated May 17, 2024	Working Capital	No
8.	**ICICI Bank Limited**	Term Loan	Corporate Rupee Loan Facility Agreement dated April 26, 2024, as last amended on July 18, 2024	400.00	276.09	May 8, 2024 July 30, 2024 September 4, 2024 December 2, 2024 December 30, 2024 January 22, 2025 January 30, 2025 February 19, 2025 February 27, 2025 March 13, 2025 April 17, 2025 May 27, 2025	8.10%	60 months	Waived pursuant to consent letter dated June 12, 2024	Payment of capital expenditure	Yes
9	**ICICI Bank Limited**	Working Capital Demand Loan	Credit Arrangement Letter dated March 1, 2025, as last renewed on January 23, 2026	900.00	200.00	August 19, 2025 March 23, 2026	7.45%	12 months	Waived pursuant to consent letter dated June 12, 2024	To meet the working capital requirements	No
Total				**5,319.20**	**2,895.45**						

* This includes Loan Equivalent Risk facility amounting to ₹120.40 million.
** This amounts to $ 3,530,000 as on the date of the sanction of the facility, i.e. December 28, 2022. Current outstanding is calculated on the basis of FEDAI rate as on July 31, 2026, i.e. 1 USD = ₹ 95.4285.
*** This includes Treasury Value at Risk (Forward Contract) facility amounting to ₹30.00 million.

For the purposes of the Offer, we have obtained the necessary consents from the lenders as is required under the relevant loan documentation for undertaking activities in relation to the Offer.

Our Statutory Auditors have issued their report on factual findings dated August 28, 2026 (**"AUP"**), in accordance with Indian Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India wherein they have stated that they have obtained the details of utilisation of loan availed, the outstanding balance as on July 31, 2026 and traced the amount of utilisation of loan and outstanding balance mentioned in the statement to the unaudited books of accounts of the Company, as applicable, for the period up to July 31, 2026 and found such amounts to be in agreement.

2. ***Capital expenditure through purchase of equipment required for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh Facility***

Our Board, in its meeting dated August 28, 2026 took note that an aggregate amount of up to ₹2,000.00 million is proposed to be utilized for purchase of equipment required for expansion in capacity at our Gautam Buddha Nagar, Uttar Pradesh facility. Our objective is to further increase the collective contribution from systems and e-mobility related products and services. Battery electric vehicle (BEVs) are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18% to 20%, with volumes increasing from 3.36 million units in 2024 to 11.5 to 12.5 million units by 2031. (*Source: CRISIL Report*) EV penetration in the motorcycle segment is projected to increase from 2.0% in 2024 to 10.5% to 12.5% in 2031 at a CAGR of 34% to 38%. (*Source: CRISIL Report*). For details, see "*Our Business – Our Strategies*" on page 265. Therefore, in order to cater to this opportunity by securing additional orders, we propose to expand the existing capacity at our Gautam Buddha Nagar, Uttar Pradesh Facility, by utilising a portion of the Net Proceeds. In this regard, please see below product wise capacity utilisation for the last three Fiscals:

Products	March 31, 2026				March 31, 2025				March 31, 2024			
	Installed Capacity (No. of parts) [1]	Annual Average Available Capacity (No. of parts)[1]	Actual Production (No. of parts) [2]	Capacity Utilization (%)[3]	Installed Capacity (No. of parts) [1]	Annual Average Available Capacity (No. of parts) [1]	Actual Production (No. of parts) [2]	Capacity Utilization (%)[3]	Installed Capacity (No. of parts) [1]	Annual Average Available Capacity (No. of parts) [1]	Actual Production (No. of parts) [2]	Capacity Utilization (%)[3]
Gautam Buddha Nagar Facility												
Powertrain	72,67,830	59,73,559	52,71,474	88.25%	72,58,933	59,66,246	49,41,660	82.83%	62,90,017	51,69,877	44,03,077	85.17%
Sheet Metal	2,05,64,200	1,64,04,200	1,23,00,874	74.99%	2,03,48,750	1,67,25,000	1,24,41,157	74.39%	2,03,48,750	1,67,25,000	1,23,30,258	73.72%
Total (A)	**2,78,32,030**	**2,23,77,759**	**1,75,72,348**	**78.53%**	**2,76,07,683**	**2,26,91,246**	**1,73,82,817**	**76.61%**	**2,66,38,767**	**2,18,94,877**	**1,67,33,335**	**76.43%**
Mangli Facility												
Powertrain	-	-	-	-	-	-	-	-	-	-	-	-
Alloy & Metal	87,43,138	72,50,250	60,42,250	83.34%	92,93,138	76,70,250	57,88,906	75.47%	91,82,670	75,47,400	57,36,600	76.01%
Total (B)	**87,43,138**	**72,50,250**	**60,42,250**	**83.34%**	**92,93,138**	**76,70,250**	**57,88,906**	**75.47%**	**91,82,670**	**75,47,400**	**57,36,600**	**76.01%**
HYM Facility												
Powertrain	1,57,956	1,30,711	19,033	14.56%	1,45,956	1,19,964	7,078	5.90%	**1,45,956**	**98,770**	**2,085**	2.11%
Alloy & Metal	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**1,57,956**	**1,30,711**	**19,033**	**14.56%**	**1,45,956**	**1,19,964**	**7,078**	**5.90%**	**1,45,956**	**98,770**	**2,085**	**2.11%**
Thailand Facility												
Powertrain	20,628	13,959	540	3.87%	20,628	13,959	1,040	7.45%	20,628	6,980	835	11.96%
Alloy & Metal					-	-	-	-	-	-	-	-
Total (D)	**20,628**	**13,959**	**540**	**3.87%**	**20,628**	**13,959**	**1,040**	**7.45%**	**20,628**	**6,980**	**835**	**11.96%**
UK Facility												
Powertrain	15,05,636	7,96,131	1,92,613	24.19%	15,17,350	8,02,325	2,50,750	31.25%	4,79,229	3,24,300	84,840	26.16%
Alloy & Metal									-	-	-	-
Total (E)	**15,05,636**	**7,96,131**	**1,92,613**	**24.19%**	**15,17,350**	**8,02,325**	**2,50,750**	**31.25%**	**4,79,229**	**3,24,300**	**84,840**	**26.16%**
Spur Facility												
Powertrain	-	-	-	-	-	-	-	-	-	-	-	-
Alloy & Metal	81,93,280	71,30,470	35,85,783	50.29%	81,93,280	34,28,267	15,57,445	45.43%	19,60,780	16,11,600	2,37,276	14.72%
Total (F)	**81,93,280**	**71,30,470**	**35,85,783**	**50.29%**	**81,93,280**	**34,28,267**	**15,57,445**	**45.43%**	**19,60,780**	**16,11,600**	**2,37,276**	**14.72%**
TOTAL (A+B+C+D+E+F)	**4,64,52,668**	**3,76,99,281**	**2,74,12,567**	**72.71%**	**4,67,78,034**	**3,47,26,011**	**2,49,88,036**	**71.96%**	**3,84,28,030**	**3,14,83,927**	**2,27,94,971**	**72.40%**

Note:

** As certified by Deba Engineers & Consultants, independent chartered engineer, by certificate dated August 28, 2026*

(1) Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the annual available capacity during such Fiscal.

For further information, see "Our Business – Installed Capacity, Annual Average Available Capacity, Actual Production and Capacity Utilisation" on page 275.

Our Company has received quotations from various suppliers for such equipment and the Company is yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company is not related to such suppliers of equipment from whom quotations have been received. We propose to incur capital expenditure for capacity expansion at our Gautam Buddha Nagar, Uttar Pradesh facility by expansion in capacity of our powertrain solutions related offering. For further details of our strategies, see "*Our Business – Strategies*" on page 265. As part of such expansion, we require amounts for buying machinery for the Gautam Buddha Nagar, Uttar Pradesh facility. Our Company intends to utilize ₹2,000.00 million from the Net Proceeds to purchase such equipment and undertake such

work, based on our current estimates, the specific number and nature of such equipment, plant and machinery to be procured by our Company may change, depending on our business requirements, from time to time. Accordingly, the details of the equipment, plant and machinery to be procured from the Net Proceeds have been suitably updated at the time of filing this Red Herring Prospectus. An indicative list of such equipment, plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below.

Estimated Cost

The table below sets forth the break-down of the total estimated costs for the purchase of equipment for our Gautam Buddha Nagar, Uttar Pradesh facility:

Sr. No.	Name of the machine	Quantity	Cost per unit (in ₹ million)	Total estimated costs (in ₹ million)	Date of quotation	Quotations received from	Period of validity	Description of machines
1.	Gear Grinding G 250	4	148.68	594.70	July 28, 2026	EMAG SUS.r.l	July 27, 2027	It is Gear Grinding Machine used for Grinding purposes for series of production with very low cycle time.
2.	Gear Shaping Machine	4	69.38	277.53	July 28, 2026	EMAG SUS.r.l	July 27, 2027	It is Gear Shaping used to cut internal & external gear teeth.
3.	OD Grinding Machine	6	68.83	412.99	July 21, 2026	EMAG SUS.r.l	July 20, 2027	Outside diameter (OD) grinding is a machining that grinds the outer surface of a cylindrical object with perfectly required accuracy.
4.	OD / ID Grinding – VL 200GT Machine	6	66.08	396.47	July 21, 2026	EMAG SUS.r.l	July 20, 2027	Outside diameter (OD) & Internal diameter (ID)grinding is a machine that grinds the outer & inner surface of a cylindrical object with perfectly required accuracy. This removes the geometrical error of OD & ID. This is combination of OD & ID Grinding in same machine.
5	Gear Hobbing Machine	6	99.12	594.70	July 28, 2026	EMAG SUS.r.l	July 27, 2027	Hobbing machine that grinds it cuts precise external teeth into a metal blank using a rotating screw-like cutter called a hob
	Total	**26**		**2,276.40[#]**				

(1) Conversion rate for Euro to ₹ has been taken as 1 € = ₹110.1305, as of August 14, 2026.

** Certain equipment quotations and cost estimates are subject to additional charges including applicable taxes, freight, transit, installation costs, forward cost, commissioning charges, transportation costs, packaging costs, insurance, duties, and other government and statutory levies, as applicable, which will be paid from our internal accruals, as applicable. Further, since most of the quotations have been sourced from outside India, GST is not applicable on such quotations.*

[#] To be funded from proceeds of the Fresh Issue and internal accruals.

All quotations received from the above suppliers are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the above suppliers which have provided quotations and there can be no assurance that the abovementioned suppliers would be engaged to eventually supply the machinery or that the abovementioned machinery would be purchased at the specified costs. The quantity of machinery to be purchased is based on the estimates of our Company's management. No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed construction of structural and civil works, purchase of machinery and upgradation of existing equipment, or in the entities from whom we have obtained quotations in relation to such activities. See "*Risk Factors - We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. Our inability to successfully implement such capacity expansion or any future capacity expansion plans could have a material adverse effect on our business, prospects, operations, prospects or financial results*." on page 45.

Any equipment not purchased from the Net Proceeds shall be purchased from our internal accruals. For details of the installed capacity, average annual available capacity, actual production and capacity utilisation of our plants in the Financial Years 2026, 2025 and 2024, see "*Our Business – Installed Capacity, Average Annual Available Capacity, Actual Production and Capacity Utilisation*" on page 275.

Our Company shall have the flexibility to deploy such machinery at any of our existing and future plants, according to our business requirements based on the estimates of our Company's management. For details of the risks applicable in this regard, see "*Risk Factors*" on page 21.

3. *Funding inorganic growth through unidentified acquisition and other strategic initiatives and general corporate*

purposes

A. Funding inorganic growth through unidentified acquisition

We expect to utilize ₹ [●] million of the Net Proceeds towards funding inorganic growth through unidentified acquisitions and other strategic initiatives, subject to (a) the cumulative amount to be utilized for general corporate purposes and our object of 'Funding inorganic growth through unidentified acquisitions and other strategic initiatives' shall not exceed 35% of Gross Proceeds; and (b) the amount to be utilized for our object of 'Funding inorganic growth through acquisitions and other strategic initiatives' shall not exceed 25% of Gross Proceeds from the Fresh Issue.

In light of the above and in pursuit of our overall strategy of pursuing inorganic growth opportunities, we continue to selectively pursue opportunities for evaluating potential targets for strategic investments, acquisitions, and partnerships, that complement our business. We have benefited significantly from the acquisitions undertaken by us in the past. The table below summarizes the key acquisitions that we have undertaken in the past and our shareholding as on the date of this Red Herring Prospectus.

Sr. No.	Name of Entity	Percentage of shareholding	Consideration (in ₹ million)	Country of incorporation	Financial Year of acquisition	Acquisition rationale and benefits accrued
1.	Spur Technologies Private Limited	100.00%	95.02	India	2024	To add new product and technology capabilities in suspension forks, alloy rims, and alloy handlebars. It strengthened our premium components portfolio and enhanced our in-house expertise in the associated manufacturing processes.
2.	Hewland Engineering Limited	51%	1.01	United Kingdom	2023	To strengthen our design, validation, and prototyping capabilities in high-performance transmission systems. The investment provided a manufacturing base in the United Kingdom, expanded our global customer reach, and enabled us to move beyond 'make-to-print' to offer value-added engineering solutions, leading to growth in premium OEM orders.

See "***History and Certain Corporate Matters – Our Subsidiaries***" on page 306.

We intend to engage in strategic acquisitions though rigorous target selection driven by deep industry insights to identify unique and synergistic opportunities and are currently exploring different options, including in India. The amount of Net Proceeds proposed to be deployed for funding inorganic growth through potential unidentified acquisitions and strategic initiatives includes utilization of up to ₹ [●] million. This amount is based on our management's current estimates and budgets, and our Company's historical acquisitions and strategic investments and partnerships, and other relevant considerations. The actual deployment of funds and the timing of deployment will depend on a number of factors, including the timing, nature, size and number of acquisitions or strategic initiatives proposed, as well as general macro- or micro-economic factors affecting our results of operation, financial condition and access to capital.

Rationale for investments and acquisitions in future:

- Strengthening our position in current product segments and end-application segments we operate in
- Improving efficiency and reduce costs through synergies
- Adding new products or technologies to our portfolio
- Offering further expansion potential, with entry to new markets or regions;

Our acquisition strategy is primarily driven by our Board and the framework and process that would be followed by us for acquisitions will involve identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we will enter into binding agreements to acquire the target based on the approval of our Board and the shareholders, if required. While the Company is currently exploring strategic acquisitions, including in India and outside India, with respect to target entities which are in the same line of business of our Company or in a segment which is complementary to the business of the Company, as part of its strategy, however, as on the date of this Red Herring Prospectus, we have not entered into any binding agreements towards any future acquisitions or strategic initiatives for the object set out above. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

In Gears and Transmissions, we are seeking synergistic opportunities that enable business growth through access to new customers, complementary product segments, and adjacent applications, alongside operational efficiencies.

In Bike Powertrain, we are focused on opportunities that bring in advanced technologies and capabilities to strengthen our design and engineering proposition.

The amount of Net Proceeds to be used for each individual acquisition and/ or investments will be based on our management's decision and may not be the total value or cost of any such investments, but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken in a particular period, as well as general factors affecting our results of operation, financial condition and access to capital. Acquisitions and inorganic growth initiatives may be undertaken as share-based or cash based transactions, or a combination thereof.

Further, in accordance with the SEBI Listing Regulations, with respect to such acquisitions proposed to be made from the Net Proceeds, our Company will disclose to the Stock Exchanges, the required details of the acquisition, including details of the cost of acquisition, nature of acquisition and rationale of acquisition, at the relevant stages as prescribed therein.

B. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations. General corporate purposes may include, but not restricted to, among others activities like funding business development initiatives, strategic initiatives, investments, business partnerships, making payments towards vendors, meeting fund exigencies and any other purpose as may be approved by our management, from time to time, subject to compliance with applicable law.

The allocation or quantum of utilization of funds towards each of the above purposes will be determined by our management, based on the business requirements of our Company and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilizing surplus amounts, if any.

Our Promoters, Directors, Key Managerial Personnel, Senior Management, members of the Promoter Group and Group Companies do not have any interest in the proposed investment to be made by our Company towards general corporate purposes.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting commission (if any), selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for (a) listing fees, (b) audit fees of the statutory auditors, and (c) expenses for corporate advertisements and branding of the Company undertaken in the ordinary course of business by the Company, i.e. any corporate advertisements consistent with past practices of the Company and not including expenses relating to marketing and advertisements undertaken in connection with the Offer which will be borne by the Company , all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel to the Company and the Indian and international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, Syndicate Members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by the Company and each of the Selling Shareholders in the Offer, respectively, except as may be prescribed by the SEBI or any other regulatory authority. In the event if the Offer is not successful or consummated, the Company and each of the Selling Shareholders agree to share the expenses (including all applicable taxes) directly attributable to the Offer in proportion to the number of Equity Shares proposed to be issued and/or transferred by each of the Selling Shareholders in the Offer, respectively, in accordance with applicable law. The Selling Shareholders agree that they shall reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholders irrespective of the completion of the Offer directly from the Public Offer Account in the manner as may be set out in the other agreements.

All the expenses relating to the Offer shall be paid by the Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the Selling Shareholders agrees that it shall, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholders

and the Selling Shareholders authorises the Company to deduct from the proceeds of the Offer for Sale, expenses of the Offer required to be borne by the Selling Shareholders

The estimated Offer expenses are as follows:

(*₹ in million*)

S. No	Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
1.	Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(2) and Bidding Charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4)(5)(6)	[●]	[●]	[●]
3.	Processing fees payable to the Sponsor Banks	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Other expenses:			
	(i) Listing fees, SEBI and Stock Exchanges filing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
	(ii) Printing and stationery expenses	[●]	[●]	[●]
	(iii) Advertising and marketing expenses	[●]	[●]	[●]
	(iv) Fees payable to the legal counsels to the Offer	[●]	[●]	[●]
	(v) Fees payable to Statutory Auditor	[●]	[●]	[●]
	(vi) Fees payable to the industry service provider	[●]	[●]	[●]
	(vii) Miscellaneous expenses including [●]	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.*

(1) Offer expenses include applicable taxes, where applicable. Offer expenses will be finalized on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

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

*Portion for RIBs**	*0.25 % of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.17 % 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 and bidding charges 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.
No additional uploading/ processing fees shall be payable by the Company to the SCSBs on the bid cum application forms directly procured by them.
Processing fees payable to the SCSBs on the portion for RIIs and NIIs (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIBs**	*₹ 10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

**Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Bidders with bids above ₹ 0.50 million would be ₹ 10 plus applicable taxes, per valid application with upper capping of 0.50 million processing fees*

The total processing fees payable to SCSBs as mentioned above will be subject to a maximum cap of ₹ .0.50 million (exclusive of applicable taxes). In case the total uploading charges / processing fees payable exceed ₹ 0.50 million (exclusive of applicable taxes), then the amount payable to SCSBs, would be proportionately distributed based on the number of valid applications such that the total uploading charges /processing fees payable do not exceed ₹ 0.50 million (exclusive of applicable taxes).

(3)Brokerage, selling commission and processing/uploading charges on the portion for RIBs (using the UPI mechanism), and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows (Handling charges to be taken at one time) :

*Portion for RIBs**	*0.25% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.17% of the Amount Allotted (plus applicable taxes)*

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

(4) The Selling commission payable to the Syndicate / sub-Syndicate Members (RII up to ₹ 0.2 million), and Non-Institutional Bidders (from ₹ 0.2 - ₹ 0.5 million) will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-

*Syndicate Members. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Members, is bid by an SCSB, the Selling Commission will be payable to the **SCSB** and not the Syndicate / sub-Syndicate Members.*

*For Non-Institutional Bidders (above ₹ 0.5 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the **Syndicate / Sub Syndicate members and not the SCSB**.*

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs, Bidders and using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

***Bidding charges** payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ 0.50 million (plus applicable taxes), in case the total processing fees exceeds ₹ 0.50 million (plus applicable taxes) then processing fees will be paid on a pro-rata basis for portion of (i) RIB's (ii) NIB's as applicable.*
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.

(5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs, 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 application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

(6) Uploading charges/ Processing fees for applications made by RIBs, using the UPI Mechanism (up to ₹ 0.2 million) and, Non-Institutional Bidders (from ₹ 0.2 - ₹ 0.5 million) would be as under:

Members of the Syndicate / RTAs / CDPs /Registered Brokers	*₹ 20 per valid application (plus applicable taxes) subject to a maximum cap of ₹ 3.00 million (plus applicable taxes)*

** Based on valid applications*
The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers will be subject to a maximum cap of ₹ 3.00 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeded ₹ 3.00 million, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹ 3.00 million.
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.

ICICI Bank	*NIL charges up to 5,00,000 UPI Mandates & above 5,00,000 UPI mandates - Rs. 6.5+GST per application made by UPI Bidders using the UPI mechanism (plus applicable taxes). The Sponsor Bank(s) shall be responsible for making payments to 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.*
Axis Bank	*₹ NIL charges per application made by UPI Bidders using the UPI mechanism (plus applicable taxes). The Sponsor Bank(s) shall be responsible for making payments to 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.*

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 RTA Master Circular, in a format as prescribed by SEBI, from time to time and in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

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 required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited to monitor the utilization of the Gross Proceeds. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full and Company shall provide details / information / certifications obtained from statutory auditors/internal auditor which is a peer reviewed audit firm/ any other peer reviewed independent chartered accountant, on the utilization of the Net Proceeds to the Monitoring Agency. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose, the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such Fiscals as required under applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised 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 financial results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

In accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Gross Proceeds from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the Gross Proceeds from the Objects as stated above. Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and the Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company in accordance with Regulation 32(5) of SEBI Listing Regulations.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details and be published in accordance with the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters and controlling Shareholders, as of the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to the above stated proposal, at a price and in such manner and subject to such conditions as prescribed by SEBI, in this regard.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank/financial institution.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the Offer Proceeds will be paid to our Promoters, members of the Promoter Group, Group Companies, Directors, our Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Promoters, members of the Promoter Group, Directors, our Key Managerial Personnel, our Senior Management or our Group Companies in relation to the utilization of the Offer Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer except as set out above.

There has been no instance of delays, defaults, rescheduling/restructuring or evergreening in respect of the outstanding borrowings for which the Net Proceeds will be utilized for repayment or prepayment.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative, operational and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Risk Factors*", "Summary of *Financial Information*", "*Our Business*", "*Restated Consolidated Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 21, 66, 253, 347, and 446, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

Among India's Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product and Service Offerings

We are one of India's leading solutions providers to global e-mobility industry (*Source: CRISIL Report*) with our revenue from sales to e-mobility industry being ₹2,732.90 million, ₹1,755.92 million and ₹1,280.85 million, accounting for 23.00%, 16.12% and 12.03%, respectively of our revenue from operations for Fiscal 2026, 2025 and 2024, respectively. We are among the few companies globally that design high-performance transmission systems capable of handling tough torque needs while keeping components lightweight and meeting noise, vibration and harshness ("**NVH**") requirements of electric vehicles.

Growing Market Presence in the Electric Bikes and Premium Two-Wheelers Segments

Over the last five years, we have expanded our market presence across automotive segments and have grown our business with premium two-wheeler OEMs globally. In the premium two-wheeler segment, we have partnered with OEMs such as BMW, Ducati and a leading American two-wheeler OEM among others, for Powertrain Solutions covering design, development, prototyping, validation and high-volume manufacturing. The global e-bike market is projected to reach 12.5 million to 14.5 million units by 2031 at a CAGR of 6% to 9% (from 2024 to 2031). E-bike sales in Europe are expected to grow at a CAGR of 5% to 8%, reaching 8 to 10 million units by 2031, while the U.S. market are expected to grow at a CAGR of 16% to 19%. The global two-wheeler industry is expected to witness a significant acceleration in electrification through 2031, with electric motorcycles and scooters gaining share across major markets. EV penetration in the motorcycle segment is projected to increase from 2.0% in 2025 to 10.5% to 12.5% by 2031, reflecting a robust CAGR of 34% to 38%, supported by improving battery technology, expanding charging infrastructure, and growing government support for electric mobility. Advancements in battery technology and design have made e-bikes a serious contender for commuting, recreation and utility cycling. (Source: CRISIL Report) The contribution of e-mobility to our sales accounted for 23.00% of our revenue from operations in Fiscal 2026.

Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions

We have a diverse and premium customer base, serving clients both in India and internationally. In the automotive sector, we collaborate with global two-wheeler OEMs including BMW, Ducati, and Hero MotoCorp; players from motor sport industries such as Formula Motorsport and HWA Engineering; global commercial vehicle and off-road OEMs such as Escorts; and enviolo. Our customers in the non-automotive segment for both electric and non-electric powertrain and transmission systems include global OEMs such as B&S, and various e-powertrain applications for supercar manufacturers.

Our customer portfolio has been strategically diversified to reduce reliance on domestic customers. The table below provides revenue from operations generated from domestic customers as a percentage of revenue from operations for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from India	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%

Advanced Infrastructure with Geographically Diverse Operations

Our operational strength extends worldwide as we strategically establish manufacturing and assembly facilities to meet diverse market and customer demands. We believe that strategic geographic dispersion of our G&T facilities across India, the United Kingdom, and Thailand allows us to be in close proximity to our customers and offer cost competitive solutions.

We have generated significant revenues from international markets. The table below sets forth our revenue from operations from international customers:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from international customers	4,915.27	41.36%	4,461.02	40.94%	4,394.01	41.28%

Strong Research and Development Capabilities and Long-Term Partnerships

Over the years, we have expanded our capabilities to include design and engineering.

The table below provides our research and development expenses as a percentage of revenue from operations and as a percentage of total expenses for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

Legacy of Diverse Growth, Experienced Management Team and Strong Corporate Governance

For details, see "*Our Business – Our Competitive Strengths*" on page 260.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Restated Consolidated Financial Information*" beginning on page 347.

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

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	0.36	0.35	1
March 31, 2025	0.67	0.66	2
March 31, 2026	1.15	1.14	3
Weighted Average	**0.86**	**0.85**	

Notes:

i) 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.

ii) Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year.

iii) Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year.

iv) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.

v) The figures disclosed above are based on the Restated Consolidated Ind-AS Financial Statements of the Company.

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price* (number of times)	P/E at the Cap Price* (number of times)
Based on basic EPS for year ended March 31, 2026	[●]	[●]
Based on diluted EPS for year ended March 31, 2026	[●]	[●]

** To be computed after finalization of Price Band*

Notes:

i) P/E ratio = Price per equity share / Earnings per equity share.

C. Industry Peer Group P/E ratio

Particulars	Industry Peer P/E	Name of the Company
Highest	76.50	Sona BLW Precision Forgings
Lowest	17.68	CIE Automotive India
Average	50.20	

The industry high and low has been considered from the industry peer set provided later in this chapter. For further details, see "Basis for Offer Price Comparison of Accounting Ratios with Listed Industry Peers" beginning on page 128.

The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on BSE on September 7, 2026 divided by the Diluted EPS as on for the financial year ended March 31, 2026.

D. Return on Net worth ("RoNW")

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2024	4.42	1

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2025	7.74	2
March 31, 2026	8.53	3
Weighted Average	**7.58**	

Notes:

i) 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.

ii) Return on Net Worth (%) = Net Profit after tax, as restated / Restated net worth at the end of the year/period.

iii) 'Net-worth: Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, compulsory convertible cumulative preference shares, share application money pending allotment, demerger adjustment deficit account, shares options outstanding and debit or credit balance of profit and loss account as per the audited balance sheet, but does not include foreign currency translation reserve, capital reserve .

iv) The figures disclosed above are based on the Restated Consolidated Ind-AS Financial Statements of the Company.

E. Net Asset Value ("NAV") per Equity Share

Particulars	Amount (₹)
As on March 31, 2026	12.72
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]

** To be computed after finalization of price band*

Notes:

i) Net asset value per share represents Net assets divided by total number of shares at the end of the year.

ii) Net assets is total assets minus current liability minus non-current liability minus capital reserve (including non-controlling interest reserve) minus foreign currency translation reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year.

F. Comparison of accounting ratios with Listed Industry Peers

Name of the Company	Face Value (₹ per share)	Closing Price as on September 7, 2026 (₹ per share)	Revenue from operations for Financial Year 2026 (in ₹ million)	Earnings per share for Financial year 2026 (₹)[(1)]		Net Asset Value per Equity share as on March 31, 2026[(2)]	Price / Earnings Ratio for the Financial year 2026[(3)]	Return on net worth for the Financial year 2026[(4)]
				Basic	Diluted			
Hero Motors Limited	10	Not applicable	11,883.51	1.15	1.14	12.72	Not applicable	8.53%
CIE Automotive India Limited[(5)]	10	383.55	94,064.74	21.69	21.69	164.65	17.68	13.18%
Endurance Technologies Limited	10	2,763.20	1,45,958.80	67.66	67.66	442.54	40.84	15.29%
Sona BLW Precision Forgings Limited	10	788.00	44,494.60	10.30	10.30	93.93	76.50	10.77%
UNO Minda Limited	2	1,241.70	1,96,575.90	20.78	20.75	113.77	59.84	19.59%
Varroc Engineering Limited	1	827.05	88,904.93	14.73	14.73	80.45	56.15	18.70%

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the financial year ended March 31, 2026 submitted to stock exchanges.

Notes:

1. *Basic/diluted earnings per share refers to the basic/diluted earnings per share sourced from the financial statements of the respective peer group companies for the financial year ended.*
2. *Net asset value per equity share = Net asset value per share represents Net assets divided by total number of shares at the end of the year. Net assets is total assets minus current liability minus non-current liability minus capital reserve minus foreign currency translation reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year plus weighted average number of potential equity shares on account of compulsory convertible preference shares / share pending issue*
3. *Price/earnings ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on September 7, 2026 divided by the diluted earnings per share for financial year ended March 31, 2026.*
4. *Return on Net Worth is calculated as Profit for the period / year as a percentage of Net Worth.*
5. *In relation to CIE Automative India Ltd., please read Financial Year 2026 as Calendar year 2025.*

G. Key Performance Indicators

The tables below set forth the details of our certain financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 9, 2026 and the Audit Committee has confirmed that other than the KPIs set out below, our Company has not disclosed any other KPIs to investors at any point of time during the three years period prior to the date of this Red Herring Prospectus. The KPIs disclosed below have been used historically by our Company to understand and analyse its business performance, which helps in analysing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price. The KPIs disclosed below have been certified by Ramesh C Agrawal & Co., Chartered

Accountants, pursuant to certificate dated September 9, 2026 which has been included in *"Material Contracts and Documents for Inspection—Material Documents"* on page 561.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:

Particulars	Explanations
Revenue from operations (₹ in million)	This is a direct measure of how well the company is performing in terms of its core business activities
Revenue from operations growth (%)	This is a direct measure of how well the company is performing in terms of its core business activities
Gross Profit (₹ in million)	The difference between the revenue generated from the sale of goods and the cost of goods sold.
Gross Margin (%)	Gross margin expressed as a percentage of total revenue, indicating the efficiency of managing material costs relative to sales.
EBITDA (₹ in million)	This measure is used to measure the operational profitability of the business and serves as a performance indicator of our company.
EBITDA Margin (%)	It indicates the percentage of revenue from operations that translates into EBITDA.
Adjusted EBITDA (₹ in million)	This measure is used to measure the operational profitability of the business and serves as a performance indicator for valuation.
Adjusted EBITDA Margin (%)	This is a direct measure of how well the company is performing in terms of its core business activities.
Restated profit after tax (₹ in million)	We believe that tracking our profit from continuing operations after tax for the year enables us to monitor the overall results of operations and financial performance of our Company.
PAT Margin (%)	Profit after tax expressed as a percentage of total revenue, indicating the percentage of revenue from operations that translates into net profit.
Return on Capital Employed (%)	Return on Capital Employed measures a company's profitability and the efficiency with which it utilizes its capital to generate profits.
Return on Equity (%)	Return on equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested
Net Debt to EBITDA (in times)	This is a performance indicator as lenders and investors use this ratio to assess a company's creditworthiness and financial stability.
Fixed Asset Turnover Ratio	As the fixed assets constitute a significant part of the overall balance sheet it is important to track how effectively the company uses its fixed assets to generate sales.
Asset Turnover Ratio	As the total assets constitute a significant part of the overall balance sheet it is important to track how effectively the company uses its fixed assets to generate sales.
Receivable days	Given the nature of business there are receivables with the key customers and therefore it is important metric driving operational excellence and financial health of the business
Inventory days	Given the nature of business Company needs to keep inventory in raw material and finished goods basis the forecast / business plan and therefore it is important metric driving operational excellence and financial health of the business
Trade payable days	Given the nature of business there are payable to our supplier basis the agreed payment term and therefore it is important metric driving operational excellence and financial health of the business
Revenue from operations from international customers	This is a direct measure of how well the company is performing in terms of its core business activities at International Locations
Revenue from operations from Domestic Customers	This is a direct measure of how well the company is performing in terms of its core business activities at Domestic Locations
Revenue from Powertrain segment	This is a direct measure of how well the company is performing in terms of its One of focused business activities
Revenue from Alloy & Mettalics segment	This is a direct measure of how well the company is performing in terms of its one of focused business activities
Research and Development Expense	This is direct measure as how the company is investing into its research and development activities in developing its products.

Details of KPIs as of/for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024

(₹ in million, except as otherwise stated)

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Revenue from Operations	11,883.51	10,895.93	10,643.86
Revenue from operations growths (%)	9.06%	2.37%	0.93%
Gross Profit[(1)]	4,954.63	4,521.62	4,193.70
Gross Margin[(2)] (%)	41.69%	41.50%	39.40%
EBITDA[(3)]	1,477.82	1,140.04	862.76
EBITDA Margin[(4)] (%)	12.44%	10.46%	8.11%
Adjusted EBITDA[(15)]	1,602.44	1,288.21	1,257.38
Adjusted EBITDA Margin[(16)]	13.48%	11.82%	11.81%
Restated profit after tax (₹ in million)[(14)]	411.68	327.96	170.35
PAT Margin[(5)] (%)	3.46%	3.01%	1.60%

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Return on Equity[6] (%)	8.56%	7.70%	4.54%
Return on Capital Employed[7] (%)	19.77%	18.84%	23.23%
Net Debt to Adjusted EBITDA[8] (in times)	2.24	2.79	1.72
Fixed Asset Turnover Ratio[9]	1.83	1.89	2.40
Asset Turnover Ratio[10]	0.87	0.94	1.00
Receivable Days[11]	78	68	67
Inventory Days[12]	64	64	62
Trade payable days[13]	43	46	47

Notes:

[1] Gross Profit is calculated as revenue from operations minus cost of raw materials consumed minus purchases of stock-in-trade minus changes in inventories of finished goods, work in progress, stock in trade.

[2] Gross Margin is calculated as Gross Profit divided by revenue from operations.

[3] EBITDA is calculated as restated profit after tax for the year plus finance costs, depreciation and amortization expense plus 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 revenue from operations.

[6] Return on Equity is calculated as restated profit for the year divided by total equity.

[7] Return on capital employed is calculated as Adjusted EBITDA divided by average capital employed. Capital employed is calculated as equity share capital plus other equity plus non-controlling interest plus long-term borrowings plus short-term borrowings less cash and cash balances less Current investments which includes include investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss. Average capital employed is calculated as opening capital employed plus closing capital employed divided by 2. For Fiscal 2022, the opening capital employed and closing capital employed are considered as fiscal 2021 restated consolidated financial information is not prepared.

[8] Net Debt to Adjusted EBITDA is calculated as net debt divided by Adjusted EBITDA. Net debt is calculated as Non-current borrowing plus current borrowing less cash and bank balances

[9] Fixed Asset Turnover Ratio is calculated as revenue from operation divided by property plant and equipment plus other intangible assets plus capital work in progress plus intangible assets under development.

[10] Asset Turnover Ratio is calculated as total revenue from operations divided by total assets.

*[11] Receivable Days is trade receivables at the end of the period/ revenue from operations * 365.*

*[12] Inventory Days is inventory as at the end of the period / revenue from operations * 365.*

*[13] Trade Payable days is Trade payables at the end of the period / revenue from operations * 365.*

[14] Adjusted EBITDA is calculated as restated profit after tax for the year plus finance costs, depreciation and amortization expense plus tax expense plus non cash share based payments including exceptional item.

[15] Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations

[16] The restated profit for the year is including the pre-tax non cash share based payment of ₹105.03 million in Fiscal 2026, ₹148.17 million in Fiscal 2025 and ₹394.62 million in Fiscal 2024 and exceptional income of ₹19.59 million in Fiscal 2026.

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from international customers	4,915.27	41.36%	4,461.02	40.94%	4,394.01	41.28%
Revenue from operations from Domestic Customers	6,968.24	58.64%	6,434.91	59.06%	6249.85	58.72%
Revenue from Powertrain segment	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
Revenue from Alloy & Mettalics segment	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 253 and 446, respectively.

Subject to applicable law, our Company confirms that it shall continue to disclose all the above financial data based on the Restated Consolidated Financial Information, certain non-GAAP measures and KPIs included in this "*Basis for Offer Price*" section, on a periodic basis, at least once in a year (or for any lesser period as determined by our Board), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "*Objects of the Offer*" section on page 114.

H. 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 presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a

measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our 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 not to rely on any single financial or operational metric to evaluate our business. See *"Risk Factors – Internal Risks - We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the powertrains industry, alloys and metallics and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies."* on page 55.

I. Comparison with Listed Industry Peers

Set forth below is a comparison of our Financial KPIs with our listed peer group companies:

KPIs	Our Company	UNO Minda Ltd.	Endurance Technologies Limited	Varroc Engineering Ltd.	Sona Blw Precision Forgings Ltd	CIE Automotive India Ltd.*
Revenue from Operations (in ₹ million)						
Financial Year 2024*	10,643.86	1,40,308.90	1,02,408.71	75,519.37	31,847.70	92,803.49
Financial Year 2025*	10,895.93	1,67,746.10	1,15,608.10	81,540.84	35,460.21	89,640.67
Financial Year 2026*	11,883.51	1,96,575.90	1,45,958.80	88,904.93	44,494.60	94,064.74
Revenue from operations growths (%)						
Financial Year 2024*	0.93%	24.87%	16.32%	9.59%	19.95%	6.02%
Financial Year 2025*	2.37%	19.55%	12.89%	7.97%	11.34%	-3.41%
Financial Year 2026*	9.06%	17.19%	26.25%	9.03%	25.48%	1.36%
Gross Profit (in ₹ million)						
Financial Year 2024*	4,193.70	49,671.30	41,902.98	28,186.10	18,106.35	43,695.20
Financial Year 2025*	4,521.62	59,065.00	49,576.90	29,448.64	20,013.22	42,935.69
Financial Year 2026*	4,954.63	70,313.10	61,781.80	31,888.64	23,526.24	46,375.41
Gross Margin (%)						
Financial Year 2024*	39.40%	35.40%	40.92%	37.32%	56.85%	47.08%
Financial Year 2025*	41.50%	35.21%	42.88%	36.12%	56.44%	47.90%
Financial Year 2026*	41.69%	35.77%	42.33%	35.87%	52.87%	49.30%
EBITDA (in ₹ million)						
Financial Year 2024*	862.76	18,310.78	14,135.99	8,246.14	9,173.29	18,858.23
Financial Year 2025*	1,140.04	20,918.90	16,802.30	6,628.09	10,829.03	15,001.24
Financial Year 2026*	1,477.82	25,069.60	20,686.60	8,073.86	11,528.38	14,660.43
EBITDA Margin (%)						
Financial Year 2024*	8.11%	13.05%	13.80%	10.92%	28.80%	20.32%
Financial Year 2025*	10.46%	12.47%	14.53%	8.13%	30.54%	16.73%
Financial Year 2026*	12.44%	12.75%	14.17%	9.08%	25.91%	15.59%
Adjusted EBITDA (in ₹ million)						
Financial Year 2024*	1,257.38	18,213.90	14,135.99	8,246.14	9,407.74	18,931.44
Financial Year 2025*	1,288.21	21,008.80	16,680.50	8,101.46	11,297.88	15,060.71
Financial Year 2026*	1,602.44	25,425.80	20,896.10	8,510.73	12,279.19	14,660.43
Adjusted EBITDA Margin (%)						
Financial Year 2024*	11.81%	12.98%	13.80%	10.92%	29.54%	20.40%
Financial Year 2025*	11.82%	12.52%	14.43%	9.94%	31.86%	16.80%
Financial Year 2026*	13.48%	12.93%	14.32%	9.57%	27.60%	15.59%
Restated profit after tax (in ₹ million)#						
Financial Year 2024*	170.35	9,247.10	6,804.88	5,320.75	5,177.76	11,251.49
Financial Year 2025*	327.96	10,205.70	8,363.50	696.76	5,996.88	8,275.14
Financial Year 2026*	411.68	12,840.60	9,517.10	2,298.33	6,291.90	8,229.70
PAT Margin (%)						
Financial Year 2024*	1.60%	6.59%	6.64%	7.05%	16.26%	12.12%
Financial Year 2025*	3.01%	6.08%	7.23%	0.85%	16.91%	9.23%

KPIs	Our Company	UNO Minda Ltd.	Endurance Technologies Limited	Varroc Engineering Ltd.	Sona Blw Precision Forgings Ltd	CIE Automotive India Ltd.*
Financial Year 2026*	3.46%	6.53%	6.52%	2.59%	14.14%	8.75%
Return on Equity (%)						
Financial Year 2024*	4.54%	17.56%	13.67%	34.86%	18.49%	18.79%
Financial Year 2025*	7.70%	16.69%	14.63%	4.36%	10.62%	12.58%
Financial Year 2026*	8.56%	17.69%	13.91%	12.64%	10.26%	11.03%
Return on Capital Employed (%)						
Financial Year 2024*	23.23%	30.17%	33.62%	34.42%	38.11%	33.92%
Financial Year 2025*	18.84%	51.23%	69.29%	69.07%	63.86%	26.07%
Financial Year 2026*	19.77%	28.83%	38.63%	36.53%	27.09%	24.50%
Net Debt to Adjusted EBITDA (in times)						
Financial Year 2024*	1.72	0.72	0.17	1.31	(0.04)	0.30
Financial Year 2025*	2.79	1.00	(0.07)	0.97	(1.14)	0.13
Financial Year 2026*	2.24	0.86	0.09	0.65	(0.09)	0.09
Fixed asset turnover ratio						
Financial Year 2024*	2.40	4.09	3.01	4.13	1.85	3.21
Financial Year 2025*	2.02	3.61	2.88	4.45	1.70	2.99
Financial Year 2026*	1.83	3.63	2.67	4.31	1.32	2.95
Asset Turnover Ratio						
Financial Year 2024*	1.00	1.42	1.30	1.66	0.82	0.95
Financial Year 2025*	0.94	1.43	1.26	1.75	0.54	0.92
Financial Year 2026*	0.87	1.43	1.26	1.82	0.60	0.87
Receivable days						
Financial Year 2024*	67	54	45	24	74	25
Financial Year 2025*	68	54	45	30	73	26
Financial Year 2026*	78	50	46	30	94	24
Inventory days						
Financial Year 2024*	62	43	31	33	40	46
Financial Year 2025*	64	37	30	33	36	44
Financial Year 2026*	64	40	29	38	50	44
Trade payable days						
Financial Year 2024*	47	52	57	58	34	76
Financial Year 2025*	46	47	57	59	33	64
Financial Year 2026*	43	48	59	60	38	72

* *In relation to CIE Automative India Ltd., please read (a) Financial Year 2024 as Calendar year 2023; (b) Financial Year 2025 as Calendar year 2024; (c) Financial Year 2026 as Calendar year 2025*

J. Operational parameters

Set forth below is a comparison of Business Segment Revenue wise bifurcation with our listed peer group companies:

Particulars	Units	Fiscal 2024	Fiscal 2025	Fiscal 2026
Our Company				
Powertrain Solutions	₹ in million	5,202.31	5,342.47	6,377.53
Powertrain Solutions	%	48.88	49.03	53.67
A&M	₹ in million	5,441.55	5,553.46	5,505.98
A&M	%	51.12	50.97	46.33
UNO Minda Limited				
Switches	%	26.00%	25.00%	25.00%
Lighting	%	24.00%	23.00%	23.00%
Castings	%	20.00%	19.00%	19.00%
Green Mobility	%	6.00%	8.00%	7.00%
Seating	%	8.00%	7.00%	7.00%
Others	%	16.00%	18.00%	19.00%
Endurance Technologies Limited				
Die Casting	%	42.50%	42.40%	46.60%
Suspension	%	25.50%	25.50%	24.70%

Particulars	Units	Fiscal 2024	Fiscal 2025	Fiscal 2026
Disc Brake	%	11.20%	11.70%	11.50%
Alloy Wheel	%	7.60%	7.60%	7.20%
After Market	%	5.30%	5.10%	4.60%
Transmission	%	4.50%	4.00%	3.40%
Others	%	3.40%	3.70%	2.00%
Varroc Engineering Limited				
EBU	%	37.80%	37.50%	-
PBU	%	32.30%	34.70%	-
Aftermarket	%	8.40%	8.50%	-
MBU	%	11.90%	11.80%	-
Others	%	9.60%	7.50%	-
Body Parts	%	-	-	35.20%
Ice Powertrain	%	-	-	25.10%
Lighting Solutions	%	-	-	16.90%
After Market	%	-	-	10.00%
E-Mobility	%	-	-	6.20%
HMI Connectivity	%	-	-	3.90%
Overseas	%	-	-	2.70%
Sona BLW Precision Forgings Limited				
Differential Assembly	%	24.00%	27.00%	11.00%
Micro/Plug-in Hybrid Starter Motors	%	24.00%	21.00%	22.00%
Differential Gears	%	32.00%	29.00%	17.00%
Conventional Starter Motors	%	10.00%	9.00%	16.00%
Other Drivetrain Parts	%	3.00%	3.00%	-
Railway Brake and Suspension System		-	-	21.00%
Traction Motors & Controllers	%	5.00%	8.00%	7.00%
Others	%	2.00%	3.00%	6.00%
CIE Automative India Ltd				
Forging	%	38.00%	37.00%	35.00%
Stampings	%	20.00%	21.00%	23.00%
Aluminium	%	18.00%	19.00%	18.00%
Castings	%	11.00%	11.00%	11.00%
Gears/Machining	%	6.00%	6.00%	6.00%
Others	%	7.00%	6.00%	7.00%

Source: CRISIL Report

* *In relation to CIE Automative India Ltd., please read (a) Financial Year 2024 as Calendar year 2023; (b) Financial Year 2025 as Calendar year 2024; and (c) Financial Year 2026 as Calendar year 2025.*

Set forth below is a comparison of other Operational KPIs with our listed peer group companies:

KPIs	Our Company	UNO Minda Ltd.	Endurance Technologies Limited	Varroc Engineering Ltd.	Sona BLW Precision Forgings Ltd	CIE Automotive India Ltd.*
Revenue from operations from international customers (₹ in million)						
Financial Year 2024*	4,394.01	19,667.10	26,589.35	9,700.31	20,050.27	39,905.51
Financial Year 2025*	4,461.02	16,933.20	30,201.38	8,871.84	22,317.31	28,685.02
Financial Year 2026*	4,915.27	21,750.10	43,784.00	NA	20,280.24	32,922.70
Revenue from operations from international customers (%)						
Financial Year 2024*	41.28%	14.02%	25.96%	12.84%	62.96%	43.00%
Financial Year 2025*	40.94%	10.09%	26.12%	10.88%	62.94%	32.00%
Financial Year 2026*	41.36%	11.06%	30.00%	NA	45.58%	35.00%
Revenue from operations from domestic customers (₹ in million)						
Financial Year 2024*	6,249.85	1,20,641.80	75,819.36	65,819.06	11,797.43	52,898.00
Financial Year 2025*	6,434.91	1,50,812.90	85,406.72	72,669.00	13,142.90	60,955.68
Financial Year 2026*	6,968.24	1,74,825.80	1,02,174.80	NA	24,214.36	61,142.10
Revenue from operations from domestic customers (%)						
Financial Year 2024*	58.72%	85.98%	74.04%	87.16%	37.04%	57.00%
Financial Year 2025*	59.06%	89.91%	73.88%	89.12%	37.06%	68.00%
Financial Year 2026*	58.64%	88.94%	70.00%	NA	54.42%	65.00%
Research and Development Expenses (₹ in million)						
Financial Year 2024*	793.13	2,242.50	623.22	1,283.19	793.00	Nil
Financial Year 2025*	772.68	2,123.30	861.96	1,629.94	1,141.00	Nil
Financial Year 2026*	895.91	2,609.70	1,187.80	NA	1,262.00	Nil
As a Percentage of Revenue from Operations (%)						
Financial Year 2024*	7.45%	1.60%	0.61%	1.70%	2.49%	Nil
Financial Year 2025*	7.09%	1.27%	0.75%	2.00%	3.22%	Nil
Financial Year 2026*	7.54%	1.33%	0.81%	NA	2.84%	Nil

Source: Crisil; All the information for the listed peers mentioned above is sourced from audited financial statements, annual reports or investor presentations as submitted to the stock exchanges

* *In relation to CIE Automative India Ltd., please read (a) Financial Year 2024 as Calendar year 2023; (b) Financial Year 2025 as Calendar year 2024; and (c) Financial Year 2026 as Calendar year 2025.*

Weighted average cost of acquisition ("WACA"), floor price and cap price

1. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP 2022) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

The Company has not issued any Equity Shares **(**excluding Equity Shares issued under the ESOP 2022**)**, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days, except as follows:

Date of transaction	Name of the acquirer	No. of Compulsory Convertible Preference shares (CCPS)	No. of Equity Shares	Remarks
September 4, 2026	South Asia Growth Invest LLC	20,908,283	20,908,283	Conversion of CCPS to Equity shares in the ratio of 1:1
	South Asia EBT Trust[#]	63,658	63,658	Conversion of CCPS to Equity shares in the ratio of 1:1

 # Shares held by Orbis Trusteeship Services Private Limited on behalf of South Asia EBT Trust.

2. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Draft Red Herring Prospectus / this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoter, members of the Promoter Group, Selling Shareholders or the 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 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 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.

3. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the equity shares were issued by our Company (excluding Equity Shares issued under the ESOP 2022 and conversion of CCPS), or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors are disclosed below:

Past Transactions[#]	Weighted average cost of acquisition (in ₹)	Floor Price * (in ₹)	Cap Price * (in ₹)
WACA of equity shares that were issued by our Company	Nil[&]	[●] times	[●] times
WACA of equity shares that were acquired or sold by way of secondary transactions	Not Applicable	[●] times	[●] times

* *To be computed after finalization of Price Band.*

\# *As certified by Ramesh C Agrawal & Co., Chartered Accountants, by way of their certificate dated September 9, 2026.*

& *The consideration was paid at the time of allotment of CCPS.*

4. Justification for Basis of Offer price

1. The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Red Herring Prospectus compared to our Company's KPIs for the Financial Years 2026, 2025 and 2024

*[●]**

* *to be computed after finalization of Price Band*

2. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Red Herring Prospectus compared to our financial ratios for the Financial Years 2026, 2025 and 2024**

*[●]**

* *to be computed after finalization of Price Band*

3. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired by the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in view of external factors, if any**

*[●]**

* *to be computed after finalization of Price Band*

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*" and "*Restated Consolidated Financial Information*" beginning on pages 21, 253 and 347 respectively, to have a more informed view.

STATEMENTS OF SPECIAL TAX BENEFITS

September 9, 2026

To,
The Board of Directors
Hero Motors Limited
Hero Nagar, G.T. Road,
Ludhiana 141003,
Punjab, India

Dear Sir/Madam,

Sub: Statement of possible special tax benefits available to Hero Motors Limited ("Company") and its shareholders in accordance with the requirement under Schedule VI-A Part A – Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"), under direct and indirect tax laws ("Statement of Possible Special Tax Benefits")

We refer to the proposed initial public offering of the equity shares ("**Offer**") of the Company. In this regard, we enclose herewith the statement ("**Annexure**") showing the current position of special tax benefits available to the Company and its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 2025 read with Income Tax Rules, 2026, circulars, notifications as amended by the Finance Act 2026 [published on 30th March 2026] as presently in force, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders, Customs Act 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued there under (collectively referred as "Taxation Laws"), relevant to the Financial Year ("FY'') 2026-27 presently in force in India for inclusion in the Red Herring Prospectus and the Prospectus (collectively, the " Offer Documents") for the proposed initial public offering of equity shares of the Company, as required under ICDR Regulations.

Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders to derive these special direct and indirect tax benefits is dependent upon their fulfilling such conditions which is based on business imperatives that the Company and its shareholders may face in the near future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The special tax benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. This statement is only intended to provide general information to guide 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 the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares by the Company (the "**Offer**"). We are neither suggesting nor advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company and its shareholders will continue to obtain these special tax benefits in future; and
- The conditions prescribed for availing the special tax benefits have been/would be met.

We hereby give our consent to include this report and the enclosed Annexure regarding the special tax benefits available to the Company and its shareholders in the Offer Documents in relation to the Offer, which the Company intends to file with the Securities and Exchange Board of India, the stock exchange(s) (National Stock Exchange of India Limited and BSE Limited) where the equity shares of the Company are proposed to be listed, and Registrar of Companies, Chandigarh at Chandigarh as applicable, provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. 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 tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the proposed initial public offer relying on the Annexure. This statement has been prepared solely in connection with the proposed initial public offering of equity shares by the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Number: 117366W/W- 100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 26105546ULNDYX8785

Place: Gurugram
Date: September 9, 2026

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HERO MOTORS LIMITED AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to Hero Motors Limited ("Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of equity shares of the Company, under the Income-tax Act, 2025 [as amended by the Finance Act 2026 (published on March 30, 2026)] read with Income Tax Rules, 2026, circulars, notifications, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders, Customs Act 1962 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued thereunder presently in force in India (collectively referred as "Taxation Laws").

Several of these benefits are dependent on fulfilling the conditions prescribed under the relevant Taxation Laws and actual legal status of shareholder. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business / commercial imperatives any of them face, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing Taxation Laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHARE HOLDERS

I. Special Direct tax benefits available to the Company under the Income tax Act, 2025

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 2025 ("ITA") as amended from time to time and as applicable for Financial Year ("FY") 2026-27 as per provisions of Finance Act 2026 (published on March 30, 2026).

1) Lower corporate tax rate under Section 200 of the ITA

Section 200 provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess[1]).

In case the Company opts for the concessional income tax rate as prescribed under Section 200 of the ITA, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of Section 144 (deduction for units in Special Economic Zone);
- Deduction under sub-section (8) of Section 33 (Additional depreciation);
- Deduction under Section 48 or Section 49 (Investment deposit account, site restoration fund);
- Deduction under sub-section (2) or sub-clause (a) or sub-clause (b) or sub-clause (c) of sub-section (3) of Section 45 (Expenditure on scientific research);
- Deduction under Section 46 or sub-clause (a) of sub-section (1) of Section 47 (Deduction for specified business, agricultural extension project);
- Deduction under sub-clause (b) of sub-section (1) of Section 47 (Expenditure on skill development);
- Deduction under any provisions of Chapter VIII other than the provisions of Section 146 (Deduction in respect of employment of new employees) and 148 (Deduction in respect of certain inter-corporate dividends);

[1] *Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge*

- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;

- No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 116, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of Section 206 regarding Minimum Alternate Tax ("MAT") are not applicable if the Company opts for the concessional income tax rate as prescribed under Section 200 of the ITA. Recently, the Finance Act 2026 has made changes in the ITA w.e.f. April 01, 2026 that set-off of MAT credit may be allowed only in the new tax regime (i.e., for companies who opt to be governed by the concessional tax rates under the Act) for domestic companies to the extent of 25% of the tax liability.

The Company has already opted for the concessional rate of tax under this section for which declaration in specified form (i.e., Form 10-IC) has been filed with the ITA.

2) Deduction in respect of employment of new employees under Section 146 of the ITA

As per Section 146 of the ITA, an assessee subject to tax audit under Section 63 of the ITA, is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost 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, subject to the fulfilment of prescribed conditions therein.

The deduction under Section 146 is available even if the Company opts for concessional tax rate under Section 200 of the ITA.

3) Deduction in respect of certain inter-corporate dividends under Section 148 of the ITA

As per Section 148 of the ITA, where domestic companies have declared dividend and are also in receipt of the dividend from another domestic company or a foreign company or a business trust, deduction is allowed with respect to the dividend received as long as the same is distributed as dividend one month prior to the due date of furnishing the return of income under sub-section (1) of Section 263 of the ITA.

The deduction under Section 148 is available even if domestic companies opt for concessional tax rate under Section 200 of the ITA.

4) Deduction in respect of expenditure incurred in relation to amalgamation or demerger under Section 52 of the ITA

As per section 52 of the ITA, where an Indian company, incurs any expenditure, wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, the company is allowed a deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which the amalgamation or demerger takes place.

The benefit of same may be availed by company in relation any such expenditure incurred for the purpose of amalgamation or demerger.

5) Deduction in respect of capital expenditure incurred in relation to scientific research under Section 45(1)(a)(i) of the ITA

As per section 45(1)(a)(i) of the ITA, any expenditure of a capital nature (excluding expenditure incurred on acquisition of any land) incurred on scientific research related to the business carried on by the company can be claimed a revenue deduction.

The deduction under Section 45(1)(a)(i) is available even if domestic company opts for concessional tax rate under Section 200 of the ITA.

II. Special Direct tax benefits available to Shareholders

There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these are general tax benefits available to equity shareholders in general, other shareholders holding any other type of instrument are not covered below.

1) Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section

148 of the ITA would be available on fulfilling the conditions as mentioned above. Further, if the shareholder is a tax resident of foreign country with which India has a Double taxation Avoidance Agreement ('DTAA'), it may claim benefit of applicable rate as stated in the DTAA, if more beneficial over rate in ITA.

2) Tax on Capital gains on sale of listed equity shares in an Indian company

As per Section 198 of the ITA, long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 12.5% (without indexation) of such capital gains for any transfer which takes place on or after the 23rd day of July, 2024, subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance (No.2) Act 2004 read with Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.

Further, as per Section 196 of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% for any transfer which takes place on or after the 23rd day of July, 2024 subject to fulfillment of prescribed conditions under the ITA.

3) Simplified/New tax regime

As per Section 202 of the ITA, a simplified/new tax regime may be opted for by individuals, Hindu undivided family ('HUF'), Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, wherein income-tax shall be computed at the rates specified as under:

Total Income	Rate of tax
Upto INR 4,00,000	Nil
From INR 4,00,001 to 8,00,000	5%
From INR 8,00,001 to 12,00,000	10%
From INR 12,00,001 to 16,00,000	15%
From INR 16,00,001 to 20,00,000	20%
From INR 20,00,001 to 24,00,000	25%
Above INR 24,00,000	30%

Pertinent to note that the above rates are subject to the assessee not availing specified exemptions and deductions as specified under said section.

Further, some of the beneficial deductions available under the simplified/ new tax regime are as follows:

- ✓ Standard deduction for salaried employees opting for new tax regime upto INR 75,000.
- ✓ Deduction of family pension is available at lower of 33% or INR 25,000 under the new regime.
- ✓ Deduction for employer's contribution to NPS (for private sector employees) upto 14% of salary (basic plus dearness allowance).
- ✓ Rebate under section 156 for Individual resident in India opting for new tax regime upto INR 60,000 (such rebate is not applicable on tax on income chargeable to special rates).

It may be noted that the shareholders have the discretion to exercise the simplified tax regime.

4) Double Taxation Avoidance Agreement benefit

In respect of non-resident shareholders, 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 and fulfillment of other conditions to avail the treaty benefit.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The statement of possible tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017 (CGST Act) / the Integrated Goods and Services Tax Act, 2017 (IGST Act)/ the Union Territory Goods and Service Tax Act, 2017 (UTGST Act) / respective State Goods and Service Tax Act, 2017 (SGST Act) ("all the acts collectively referred as GST Act"), the Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Tariff Act") and Foreign Trade Policy 2023 (FTP) including the rules, regulations, circulars and notifications issued thereunder (collectively referred to as "Indirect Tax laws") as amended from time to time and presently in force in India.

A. Special Indirect Tax benefits available to the company under the Indirect tax laws

i. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

Remission of Duties and Taxes on Exported Products (RoDTEP)

The objective of RoDTEP scheme is to refund various duties and taxes incurred on the export of goods. Under the scheme, rebate of taxes will be given in the form of electronic scrip which could be utilised for payment of Basic Customs Duty.

The Company is availing benefit under RoDTEP Scheme.

Export Promotion Capital Goods (EPCG)

EPCG Scheme is being introduced by Government to facilitate duty free import of capital goods to be used for producing goods thereby enhancing India's manufacturing and export competitiveness. EPCG Scheme facilitates import of capital goods at zero customs duty subject to fulfilling an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years from date of authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty of Customs [in lieu of Value Added Tax/ local taxes (non-GST goods)], Integrated Goods and Services Tax (IGST) and Compensation Cess (GST goods), wherever applicable, subject to certain conditions.

Currently, the Company is availing benefits under EPCG Scheme and is timely fulfilling its export obligation.

Advance Authorization (AA)

AA Scheme facilitates import of raw material at zero customs duty subject to physically incorporating such raw material in the finished product which is going to be exported. An AA license holder is required to achieve 15% value addition and fulfil the export obligation mentioned in the authorisation within a period of 18 months to enjoy the aforesaid duty-free benefit while importing the raw material. AA license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), IGST and Compensation Cess (GST goods), wherever applicable, subject to certain conditions.

Currently, the Company has obtained the licence under AA Scheme, however the Company has not yet imported any goods under said scheme to avail the benefit.

ii. ***Benefits under Customs Act (read with Tariff Act and related rules and regulations)***

Benefits of Duty Drawback scheme under Section 75 of Customs Act

As per section 75 of the Customs Act, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. The main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods.

The Company is availing such duty drawback benefit.

Benefits of Concessional custom duty pursuant to India's Free Trade Agreements with various countries

Free Trade Agreements ('FTAs') are treaties between two or more countries designed to reduce or eliminate certain barriers to trade and investment and to facilitate stronger trade and commercial ties between participating countries. FTAs help in economic growth as it provides advantages of reduced costs and duty savings on import and export of products covered or eligible under FTA. Indian government has entered into various bilateral and multilateral trade agreements with various countries.

The Company is importing certain raw material from Korea and Japan and is availing the benefit of concessional custom duty available in lieu of India – Korea and India – Japan Comprehensive Economic Partnership Agreement (CEPA).

iii. Benefits under the Central Goods and Services Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST) (read with relevant Rules prescribed thereunder)

Export of goods under the GST law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier will be entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of goods at zero rate on fulfilment of certain conditions. Exporters can export goods under Bond / Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export goods with payment of IGST and subsequently claim refund thereof, as per the provisions of Section 54 of CGST Act.

We understand that the Company is undertaking exports with payment of tax and is availing refund of IGST paid at the time of export.

B. Special Indirect Tax benefits available to the equity shareholder of the company under the Indirect tax laws

There are no special indirect tax benefits available to the Equity Shareholders of Company under the Indirect tax laws.

Note:

1. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

2. The above statement of possible direct tax & indirect tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. All the above benefits are as per the current tax law and any change or amendment in the laws/regulation, which when implemented would impact the same.

4. The above Statement covers only certain possible special tax benefits under the Taxation Laws, read with the relevant rules, circulars and notifications applicable as on date and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

5. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing taxation laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer

6. This statement has been prepared solely in connection with the proposed issue under the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO OUR SUBSIDIARY HEWLAND ENGINEERING LIMITED

Date: September 8, 2026

The Board of Directors
Hero Motors Limited
Hero Nagar, G.T. Road
Ludhiana, 141 003
Punjab, India

The Board of Directors
Hewland Engineering Limited
Waltham Road, White Waltham
Maidenhead, Berkshire, SL6 3LR
United Kingdom

Dear Sir/Ma'am,

Re: Proposed initial public offering of equity shares (the "Equity Shares") of Hero Motors Limited ("HML" and such initial public offering, the "Offer")

We, The Corporate Practice Limited, the statutory auditors of Hewland Engineering Limited (the "**Company**"), a subsidiary of HML, hereby confirm that the enclosed **Annexure I**, prepared by the Company states the possible special tax benefits available to the Company (the "**Statement**"), under direct and indirect taxes (together, the "**Tax Laws**"), presently in force in the United Kingdom.

These possible special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed **Annexure I** are not exhaustive and cover the possible special tax benefits available to the Company and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to 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 the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Offer of HML, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest nor do we advise the investors to invest money based on this Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or

iii) the revenue authorities will concur with the views expressed herein.

The contents of the enclosed **Annexure I** are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We confirm that on receipt of any written communication from Company of any changes in the information, we will immediately inform any changes in writing to the above information to the Company, HML and the book running lead managers appointed in connection with the Offer ("**Lead Managers**") until the date when the Equity Shares commence trading on the stock exchanges where the Equity Shares are proposed to be listed (the "**Stock Exchanges**"). In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Offer.

This certificate is for information and for inclusion (in part or full) in the draft red herring prospectus, the red herring prospectus and the prospectus to be filed by HML in relation to the Offer or any other Offer related material, and may be relied upon by the Company, HML, the Lead Managers and the legal advisors to each of HML and the Lead Managers. We hereby consent to the submission of this certificate as may be necessary to the Securities and Exchange Board of India, the Registrar of Companies, Chandigarh, India, the Stock Exchanges and any other regulatory authority and/or for the records to be maintained by the Lead Managers and in accordance with applicable law.

Yours faithfully,

Devender Arora ACA (Senior Statutory Auditors)

For and on behalf of The Corporate Practice Limited

Chartered Accountants and Statutory Auditors 65 Delamere Road
Hayes Middlesex UB4 0NN
United Kingdom

Enclosed:

Annexure I: Statement of possible special tax benefits available to the Company under applicable direct and indirect tax laws

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HEWLAND ENGINEERING LIMITED UNDER APPLICABLE TAX LAWS IN THE UNITED KINGDOM AND HMRC PRACTICE EFFECTIVE AS OF 31 JANUARY 2025

The legislation relevant to corporation tax is contained primarily in the Income and Corporation Taxes Act 1988 ('ICTA'), the Taxation of Chargeable Gains Act 1992 ('TCGA'), the Capital Allowances Act 2001 ('CAA 2001'), the Corporation Tax Act 2009 ('CTA 2009'), the Corporation Tax Act 2010 ('CTA 2010') and the Taxation (International and Other Provisions) Act 2010 ('TIOPA'), all as amended by, inter alia, subsequent annual Finance Acts.

Corporation Tax

A UK resident company is subject to corporation tax on its worldwide income, including any chargeable capital gains, at the corporation tax rate. The following corporation tax rates are for standalone company.

Taxable profits	Tax rate
Up to GBP 50,000	19 percent -Small profit rate
GBP 50,001 to 249,999	Marginal rate, subject to marginal relief GBP
250,000 or more	25 percent – Standard rate

The profits are divided by number of companies in group situation.

Taxable profits are based on accounting profits subject to a number of adjustments to account for any differences between Corporation tax treatment and generally accepted accounting practice. On transition between accounting standards, any tax adjustments relating to the transition are reflected in the Corporation tax computations on a prospective basis. Of particular note for the Company, adjustments are required to relieve certain fixed asset expenditure under the Capital Allowance regime, and pension contributions generally receive tax relief when paid, rather than when the expense is incurred. Tax adjusted profit will be subject to corporation tax and relieves available such as rollover relief and Substantial shareholding Exemption relief.

Withholding Tax

Any dividends paid by a UK resident company are not subject to withholding tax.

However, UK domestic law requires a UK payer to withhold income tax of 20% on the payment of interest and royalties to non-residents. This can potentially be reduced depending upon the terms of the Double Taxation Treaty between the UK and the country of tax residence of the beneficial owner of the income. For interest payments, it is necessary to obtain clearance from HMRC before deducting tax at source at the lower treaty rate. For royalty payments, the reduced rate of withholding tax can be applied where the paying company has reasonable belief that the beneficial owner of the income is entitled to the treaty benefits.

Double Taxation Relief

As stated above, a UK tax resident company is subject to corporation tax on its worldwide profits. Where the company suffers taxation overseas (eg via withholding tax or taxation of profits of a permanent establishment) this can result in double taxation. It may be possible to reduce the impact of this by making a claim for double taxation relief in the UK company tax return. This can be via an expense claim (reducing the company's profits/increasing its current -year losses) or a credit against the UK corporation tax liability, circumstances dependent.

Corporate Interest Restriction

UK resident companies are restricted on the amount of tax relief they can claim on finance interest expenditure for a given year. This is known as the Corporate Interest Restriction. In summary, the first GBP 2 million of expenditure is allowable as a tax deduction under the Corporate Interest Restriction rules, however, the company/group must meet various conditions if they wish to claim tax relief in excess of this. There are two methods to calculate a higher amount and the company is allowed to elect which one is most beneficial for a given year, the Fixed Ratio method and the Group Ratio method. Broadly the Fixed Ratio method allows the company a deduction up to 30% of the UK group's tax-EBITDA. However, the Group Ratio method can sometimes allow a higher amount of tax relief since it instead looks at the worldwide group's average debt to tax-EBITDA ratio and applies this ratio to the UK group resulting in a maximum amount of finance expenses. Any disallowed finance expense is then carried forward and can potentially be utilised in a future period. This will be calculated after taking into account of transfer pricing adjustments.

In addition to the Corporate Interest Restriction rules, UK tax legislation contains a number of other provisions under which interest payments may not be deductible (either in part or in full). These include thin capitalisation, unallowable purposes and anti-hybrid rules. The net interest expense figure used in the Corporate Interest Restriction calculation is net of interest income and calculated after applying the other loss restriction rules.

Loss relief

Any trade loss incurred by the Company in the current year should be set-off against the taxable profits (including chargeable gains) of the Company in the same year. Any remaining trade loss can then be carried back against the taxable profits of the year immediately preceding the year in which losses are incurred.

If the company has any non-trade loan relationships debits in the current year, these can also be carried back against any non-trade loan relationship credits of the Company in the preceding year.

Trade losses incurred prior to 1 April 2017 which have not been utilised in the current year or carried back may be carried forward and utilised against future profits in the Company from the same trade.

Trade losses incurred post 1 April 2017 which have not been utilised in the current year or carried back may be carried forward and utilised against future total taxable profits in the Company, subject to certain conditions.

For example, companies are restricted to only utilising brought forward losses on up to 50% of the taxable profits, however this only applies on taxable profits in excess of GBP 5 million, which is known as the Deduction Allowance. This Deduction Allowance must be shared between the UK-resident group companies and UK permanent establishments of overseas companies.

Anti-avoidance provisions exist to restrict the availability of brought forward loss relief in certain circumstances. This can potentially apply where there is a change in ownership alongside a major change in nature or conduct of the trade carried on by a company.

'Group relief' is a relief sometimes available in cases where two or more companies, where the parent company beneficially owns (whether directly or indirectly) at least 75% of the nominal issued share capital of the subsidiary company or companies or where two companies are beneficially owned at least 75% by the same parent company. The surrendering company and the claimant company must both be based in the UK, either by being tax resident or by trading through a UK permanent establishment. In such cases in which a group exists, operating taxable profits and losses arising in the same period are allowed to be offset within the group. This is done by the company which has made the loss surrendering the loss to the profitable company. Specific rules apply to certain types of losses and in some cases losses brought forward from earlier years can be surrendered to a group company.

Currently, the Company is the only UK resident company in the Group, and so the availability of Group relief would be dependent on future changes to the group structure (subject to targeted anti-avoidance provisions which might apply at the time of the future group changes).

Capital gain.

The chargeable gain will be subject corporation tax and will attract roll over relief if a qualifying asset sold and reinvested in the qualifying assets.

Capital gain group company exist where the principal company (Parent) holding direct or indirect of 51% share capital of subsidiary. Any chargeable gains will be tax neutral between these group companies subject to De-grouping charge if a company leave the group within six years of transaction.

Capital allowances

Assets qualifying for capital allowances can be depreciated for UK tax purposes on a reducing balance basis at a rate of **14%** per annum for main pool assets; or 6% per annum for special rate pool assets and a tax deduction claimed against current year profits. Additionally, Full Expensing' offers 100% first-year relief to companies on new and unused qualifying main rate plant and machinery investments (again subject to certain exclusions).

FYA is claimable on certain assets such as electric car and electric charging point.

Companies can also claim the Annual Investment Allowance ("AIA") in respect of capital expenditure incurred on qualifying assets (whilst having less restrictive eligibility conditions than Full Expensing and the **40%** Allowance). Each corporate group (or groups under common control) is entitled to an AIA of

£1m per annum. This allows a 100% first year deduction of the qualifying capital expenditure to be taken in the year the capital expenditure is incurred.

A Structures and Buildings Allowance ("SBA") is available at 3% of certain qualifying expenditure on structures and buildings used for qualifying activities and which do not qualify for other capital allowances. SBA is available on constructed or renovated commercial building after on or after October 2018 for 33.33 years from the original cost.

Research & Development tax relief

Additional tax relief is available in the UK for qualifying R&D expenditure, subject to the fulfilment of specified conditions. For accounting periods beginning on or after 1 April 2024 a new 'Merged R&D scheme' has been introduced. This scheme operates as an above-the-line tax credit, whereby a taxable R&D credit is received in the profit & loss account.

20% of qualifying expenditure is treated as a taxable receipt with an equal credit taken against the company's Corporation Tax liability. This results in relief of up to **15**% of qualifying spend. For lossmaking companies, it is possible to receive a cash credit, subject to a number of restrictions. In particular, there is a notional tax restriction at the company's applicable Corporation Tax rate (19% or 25%), resulting in relief being provided at up to **15**% on qualifying R&D expenditure.

The R&D notional tax restriction is carried forward and may be available to reduce the corporation tax liability of a future period.

The merged regime may exclude certain previously qualifying expenditure – for example payments to overseas sub-contractors or externally provided workers. In addition, the rules are more complex in a sub-contractor arrangement as to which party can make the claim. The benefit of future R&D claims may therefore be reduced.

To ensure that future claims for R&D tax relief are valid, the company must ensure that any required Advanced Notifications have been made and that an Additional Information Form is submitted to HMRC prior to the return being submitted. Failure to meet the administrative requirements will result in a claim being rejected.

Claims for R&D tax relief under the R&D Expenditure Credit regime have been included in previous Corporation Tax returns. Although all repayable credits to 31 March 2024 have been received, it should be noted that HMRC has at least two years from the end of the accounting period in which to open an enquiry into the claim for R&D tax relief. If an amended return is submitted to include the claim for R&D tax relief, the enquiry window may be extended.

HMRC are increasingly scrutinising all R&D claims and are undertaking a volumetric based approach to their compliance activities in respect of R&D claims, opening a greater number of enquiries than in previous years. There is a risk that HMRC may open an enquiry into any open claims and challenge whether an entire project qualifies and/or whether non-qualifying costs have been included. Should HMRC successfully open an enquiry, late payment interest and penalties may fall due.

Patent Box regime

UK tax laws also include a Patent Box regime. The Patent Box regime rewards a UK company's intellectual property (IP) investment by helping to reduce its Corporation Tax rate on qualifying IP income to 10%. There are various requirements to be met in order for a company to be eligible under the Patent Box regime and complex calculations are required in order to calculate the amount of qualifying IP income on which the beneficial 10% CT rate is obtained.

Transfer pricing

UK transfer pricing legislation requires that all transactions between connected parties must be conducted on an arm's length basis for tax purposes. Transactions can include those which are not recorded in the accounts or formally recognised by the parties, such as the use of intangible assets by other group members, the provision of bank guarantees for third party bank debt or of management services, etc.

This applies equally whether the transactions are between UK and non-UK parties, or parties who are both resident in the UK. Where transfer pricing is not considered to be at arm's length and a potential UK tax advantage arises for one or both parties, HMRC can impose an adjustment for tax purposes that brings the transaction into a position that they deem to be arm's length. HMRC can impose a penalty of up to 100% of the additional tax due as a result of the adjustment.

The company will be required to keep documentation to support the arm's length nature of its transactions with associates and HMRC can impose a penalty on a company that falls within the transfer pricing rules and fails to keep such documentation.

The UK has implemented the OECD BEPS Pillar Two rules for accounting periods beginning on or after 31 December 2023. The regime includes:

- Multinational Top-up Tax (MTT), which is the UK's implementation of the OECD Income Inclusion Rule (IIR). This may require large multinational groups with annual consolidated revenues exceeding €750 million in at least two of the previous four accounting periods to pay a top-up tax where profits in a jurisdiction are taxed at an effective rate below 15%.

- Domestic Top-up Tax (DTT), the UK's Qualified Domestic Minimum Top-up Tax (QDMTT), which applies to UK operations of in-scope groups. The DTT ensures that UK profits are subject to a minimum effective tax rate of 15%, with any required top-up tax collected in the UK.

In-scope groups are generally required to register with HMRC and comply with the Pillar Two reporting requirements, including the filing of a GloBE Information Return (GIR) and relevant UK returns.

Both the MTT and DTT incorporate the Substance-Based Income Exclusion (SBIE), which provides a deduction based on eligible payroll costs and tangible assets in accordance with the OECD Pillar Two framework.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Powertrain Solutions and Alloys & Metallics Components" dated August 2026 (the "**CRISIL Report**") prepared and issued by CRISIL Intelligence, pursuant to an engagement letter dated December 20, 2024 read with engagement letter dated July 16, 2026. The CRISIL Report has been exclusively commissioned and paid for by our Company in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered for the purposes of presentation. A copy of the CRISIL Report will form part of the material documents for inspection and is available on the website of our Company at https://www.heromotors.com/investorrelationship. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, CRISIL has also sourced information from publicly available sources, including our Company's financial statements available publicly.*

For further information, see "Risk Factors - Certain sections of this Red Herring Prospectus disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 53. Also see, "Certain Conventions, Presentation of Financial Industry and Market Data" on page 16.

Macroeconomic Overview of Global and Indian Economy

Overview of global economy

The global economy registered steady growth of 3.4% in CY2025 and was initially projected to maintain this trajectory, with expansions of 3.3% in CY2026 and 3.2% in CY2027, according to the IMF's World Economic Outlook (January 2026). However, the onset of conflict in West Asia has introduced notable downside risks to this outlook. The crisis has impacted economic stability through damage to critical infrastructure, disruptions in transportation and supply chains, and escalating humanitarian challenges. These factors have contributed to higher commodity prices, increased inflationary pressures, and heightened market volatility, with import-dependent developing economies bearing a disproportionate impact.

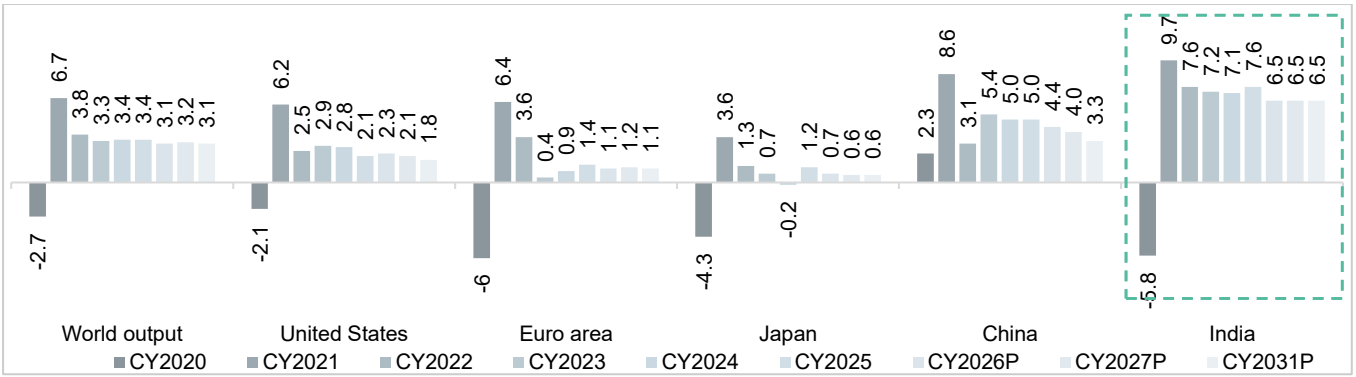
As a result, global growth expectations have been revised downwards. According to the IMF's April 2026 estimates, global GDP growth is now projected at 3.1% in CY2026 and 3.2% in CY2027, reflecting a moderation from the 3.4% growth recorded in CY2025. While trade policy challenges persist, the adverse effects are being partly mitigated by increased investments in technology, particularly artificial intelligence along with supportive government policies and the resilience and adaptability of businesses. Nevertheless, uncertainty surrounding trade dynamics, macroeconomic policies, and geopolitical developments is expected to remain elevated through CY2027.

Growth in advanced economies, including the United States, the United Kingdom, the Euro area, and Japan, is projected at 1.8% in CY2026 and 1.7% in CY2027. The West Asia conflict has exerted additional pressure on these economies, with an estimated drag of approximately 0.1 percentage points on growth in CY2026.

In emerging markets and developing economies such as China, Russia, Brazil, Mexico, and India growth is expected to moderate to 3.9% in CY2026 before recovering to 4.2% in CY2027. The impact of the Middle East conflict varies across countries, depending on factors such as geographic proximity, trade and financial linkages, remittance flows, and energy dependencies.

Against this backdrop, India's growth outlook remains relatively resilient despite the uncertain global environment. The country's continued economic expansion is being supported by robust private consumption, increasing investment activity, and sustained government focus on infrastructure development.

GDP growth (% year-on-year) of key economies



* *Euro area comprises 19 member countries of the EU*

Source: International Monetary Fund (IMF); World Economic Outlook (WEO) – April 2026 update

As per the International Monetary Fund's (IMF) World Economic Outlook:

- **Advanced economies** are projected to grow at 1.8% in CY2026, moderating slightly to 1.7% in CY2027. The ongoing conflict in West Asia is expected to exert a marginal drag on growth in these economies, reflecting its impact on trade flows, energy prices, and overall economic sentiment.

- **The United States** economy is forecast to expand by 2.3% in CY2026, supported by easing monetary policy and a relatively accommodative fiscal stance. Additionally, the adverse effects of heightened trade barriers introduced since April 2025 are expected to gradually diminish, contributing to improved economic stability. While the West Asia conflict may have a limited negative impact on the U.S., this is likely to be offset by a rebound in economic activity observed in early 2026.

- **The Euro area** is expected to experience a moderation in growth, with GDP projected to decline from 1.4% in CY2025 to 1.1% in CY2026, before recovering modestly to 1.2% in CY2027. This slowdown is primarily attributed to heightened geopolitical uncertainties, a pronounced contraction in the manufacturing sector, subdued export performance, and the adverse effects of energy price shocks. Inflation in the region is anticipated to remain slightly elevated, easing to 2.2% by CY2027.

- **Emerging markets and developing economies (EMDEs)** are projected to see moderate growth to 3.9% in CY2026, followed by a recovery to 4.2% in CY2027. The impact of the West Asia conflict on these economies is more pronounced, given their varying degrees of exposure through geographic proximity, financial linkages, remittance inflows, and energy dependencies. Consequently, growth projections for EMDEs have been revised downward for CY2026 compared to earlier IMF estimates.

- **China's** economy recorded growth of 5.0% in CY2025, supported by increased policy bank lending for investment and relatively lower effective tariff rates on exports to the United States. However, growth is expected to moderate to 4.4% in CY2026 and further to 4.0% in CY2027, partly reflecting the adverse external shock stemming from the West Asia conflict.

- **India's** economy demonstrated robust performance, with growth estimated at 7.6% in CY2025, driven by strong momentum in the latter half of the year. Building on this high base, growth is projected to moderate to 6.5% in both CY2026 and CY2027, while remaining among the fastest-growing major economies globally.

Overview of the Indian economy

Review of GDP growth over fiscals 2023 to 2026 and Outlook for fiscals 2027 to 2031

As per IMF World economic outlook April 2026, India has become the sixth largest economy from the previous fourth place ranking, falling behind UK and Japan. The decline is driven by the depreciation of Indian rupee against the US dollar and a downgrade revision of GDP. Despite this, India continues to be among the world's fastest growing major economy with real GDP growth projection between 6 to 7%, outpacing its global peers.

The Indian economy logged 7.3% CAGR between fiscals 2023 and 2026 (as per the new series). 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 Saptarishi priorities focused on infrastructure, green growth (economic growth ensuring sustainable use of natural resources), youth empowerment financial inclusion initiatives, and gradual opening of sectors such as retail, e-commerce, defense, railways, and insurance for foreign direct investments (FDIs). Growth exceeded expectations in fiscal 2024 supported by higher public capex and strong industrial activity.

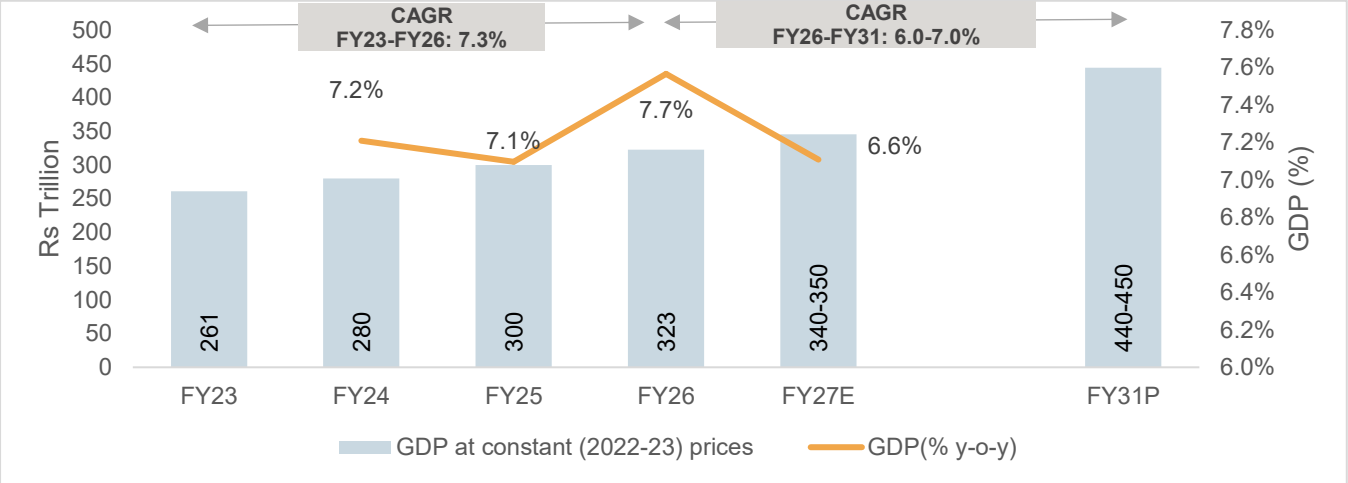
According to the National Statistics Offices (NSO), India's real gross domestic product (GDP) grew at 7.7% for the fiscal 2026, slightly higher than second advance estimates of 7.4%. GDP growth accelerated by private consumption followed by fiscal support such as tax cuts, GST cuts and lower interest rates. The sentiments improved in private investments with recovery in

private capex underway, driven by emerging sectors like green hydrogen, semiconductor, battery manufacturing and data centers are the key growth areas.

In fiscal 2027, however, growth is likely to weaken amid multiple headwinds, including higher prices of crude oil and other commodities, softer global growth and the forecast of a below-normal monsoon. Global supply chain disruptions are already intensifying cost pressures and reduced input availability is expected to add to the pressure.

CRISIL expects GDP growth forecast for fiscal 2027 at 6.6% with risks tilted to the downside. Despite the slowdown in real GDP, the nominal GDP growth is set to be higher due to higher inflation based on both Wholesale Price Index and the Consumer Price Index.

India's GDP growth trend and outlook



Note 1: E- estimated, P – projected
Note 2: A new national accounts series has been released with 2022 to 2023 as the base year, superseding the 2011 to 2012 series, with figures available Fiscal 2023 onwards
Source: National Statistical Office (NSO), IMF, Crisil Intelligence estimates

Outlook on GDP

As per CRISIL estimates, India's GDP growth is projected to moderate to 6.6% in fiscal 2027, with risks predominantly tilted to the downside. While real GDP growth is expected to decelerate, nominal GDP growth is likely to remain relatively elevated, supported by higher inflation as reflected in both the Wholesale Price Index (WPI) and the Consumer Price Index (CPI).

The anticipated slowdown in growth can be attributed to a combination of factors, including elevated crude oil and commodity prices, weakening global economic conditions, and expectations of a below-normal monsoon. Ongoing global supply chain disruptions are further intensifying input cost pressures, while constraints on input availability are expected to weigh on industrial output.

Growth in fiscal 2026 exceeded expectations, supported by favorable macroeconomic conditions such as fiscal measures boosting private consumption, monetary easing through policy rate cuts by the Reserve Bank of India, robust global demand, low inflation, a favorable monsoon, and subdued crude oil prices. However, many of these supportive factors are expected to reverse in fiscal 2027, thereby exerting pressure on overall economic activity.

The Indian economy benefitted from relatively low crude oil prices in fiscal 2026, averaging around U.S.$70 per barrel. In contrast, following the escalation of tensions in West Asia, oil prices have surged to multi-year highs and are expected to remain elevated in fiscal 2027, averaging U.S.$90 to 95 per barrel, as per CRISIL Intelligence. This is likely to contribute to heightened inflationary pressures and impact economic stability.

On the agricultural front, the India Meteorological Department (IMD) has projected rainfall at around 90% of the long-period average (LPA) during the 2026 southwest monsoon season, indicating below-normal precipitation. The potential onset of El Niño conditions further exacerbates risks to agricultural output. A weaker monsoon, coupled with El Niño effects and a low base, is expected to push up food inflation, thereby limiting the scope for accommodative monetary policy.

Overall, the growth outlook remains subject to downside risks. Global demand is expected to soften in calendar year 2026, partly due to geopolitical tensions stemming from the West Asia conflict, which may adversely affect India's exports. Nevertheless, fiscal policy is expected to play a key supportive role. Continued focus on capital expenditure by the central government, progress in Goods and Services Tax (GST) rationalization, and direct income support measures by state governments are likely to help cushion growth and sustain domestic demand.

India to remain a global outperformer

India's growth is expected to outperform other emerging and advance economies in the medium run. Its steady growth momentum will be accelerated by resilient domestic demand, with rural consumption gaining momentum, rise in urban spending and private investment increasing at a faster rate. We expect GDP growth to average 6 to 7% between fiscals 2026 and 2031, compared with 3.3% globally as estimated by the IMF.

Near-term Review and Outlook on Inflation

Consumer Price Index (CPI)-based inflation edged up marginally to 3.48% in April 2026 from 3.40% in March 2026. Despite the West Asia conflict entering its second month during April, the transmission of upside risks to retail inflation has been gradual. Notably, the anticipated pass-through of elevated energy and input costs to end-consumer prices across goods and services have yet to fully materialize, as reflected in stable core inflation, which remained unchanged at 3.7% for the fourth consecutive month.

In contrast, Wholesale Price Index (WPI)-based inflation witnessed a sharp spike, rising to a 42-month high of 8.3% in April 2026 from 3.9% in March 2026. This increase reflects the early impact of the West Asia conflict on input costs across multiple sectors.

The revised inflation outlook is primarily driven by an upward revision in crude oil price assumptions and the associated spillover effects for fiscal 2027, compounded by persistent geopolitical uncertainties. Global fuel prices have continued to rise, exerting significant pressure on transportation costs, particularly petrol, diesel, compressed natural gas (CNG), and airfares.

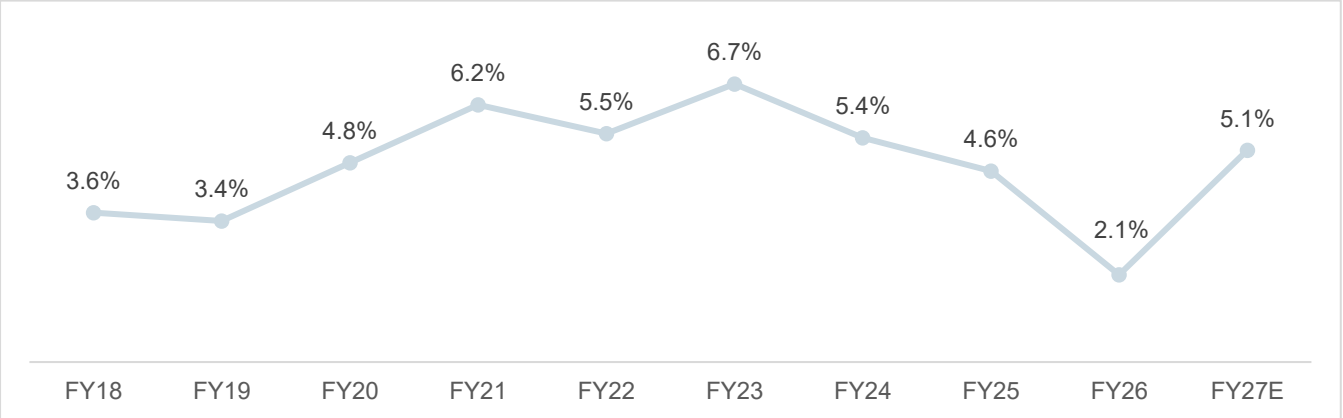
CRISIL estimates CPI inflation to average 5.1% in fiscal 2027, a sharp increase compared to 2.1% in fiscal 2026. This projected rise is largely attributed to a favorable base effect in the previous year, coupled with expectations of intensifying price pressures across key consumption segments, as higher fuel costs are passed on to consumers and manufacturers transfer elevated input costs through pricing.

Elevated input cost pressures, as indicated by the sharp rise in WPI inflation, are expected to gradually transmit into core inflation, as producers seek to protect margins. The rise in crude oil prices is already being reflected in retail fuel prices, particularly petrol and diesel, which together carry a weight of approximately 4.8% in the CPI basket.

Additionally, weather-related risks pose further upside pressures on inflation. The expectation of below-normal monsoon rainfall, coupled with the likelihood of El Niño conditions and ongoing heatwave trends, could adversely impact agricultural output and elevate food inflation.

Considering these evolving macroeconomic dynamics and rising inflationary pressures, it is anticipated that the Reserve Bank of India (RBI) will maintain a cautious stance and keep policy rates unchanged in the near term.

CPI trendline



E- Estimated
Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI, CRISIL Intelligence

IIP growth accelerated in April

Industrial growth, as measured by the revised Index of Industrial Production (IIP) series, accelerated to 4.9% in April 2026 from 3.2% in March 2026, driven by stronger growth in manufacturing and electricity production. Domestic demand remained resilient, as evident in auto sales, retail credit, electricity demand and other indicators, despite headwinds from the West Asia conflict.

Industrial production anticipated to remain subdued in the coming months ahead owing to weaker global demand and supply chain disruptions. The larger risk, however, is rising costs. The energy supply shock caused by the conflict has shifted into a price shock, with the costs of fuel, transport and other imported inputs increasing. Cost pressures are already visible, with

wholesale inflation jumping to a 42-month high of 8.3% in April 2026, alongside consecutive increases in the retail prices of diesel and petrol.

However, government capital expenditure and other fiscal support measures, such as rationalization of goods and services tax (GST) rates and unconditional cash transfers by states, should support the economy, some moderation in economic activity is expected.

Also, the performance of several key export-oriented sectors, such as computer and electronic products, textiles, chemical products and pharmaceuticals, improved in April versus March. This aligns with the acceleration in core export growth to 10.4% on-year in April (vs -7.5% in March)

Accelerators of India's Economic Growth

- Robust domestic demand is expected to remain a primary engine of India's economic expansion, positioning the country to outperform its peer economies over the medium term.

- The growth outlook is further strengthened by sustained government-led capital expenditure on infrastructure and asset creation. Such investments are likely to yield strong economic multipliers and catalyze private sector participation.

- The government's capacity to maintain elevated capital spending is supported by structural improvements, including enhanced tax buoyancy, rationalized tax frameworks with lower effective rates, ongoing tariff reforms, and increasing digitization of the tax administration and filing ecosystem.

- The investment climate remains conducive, driven by continued public capex initiatives, steady progress under the Production Linked Incentive (PLI) scheme, improved corporate balance sheets, and a well-capitalized banking sector characterized by low levels of non-performing assets (NPAs).

Decelerators for India's Economic Growth

- **External monitorable**: While geopolitical tensions have eased following recent diplomatic developments in West Asia, the global macroeconomic environment continues to face uncertainty from evolving trade policies, regional conflicts, and financial market volatility. Although crude oil prices have moderated from their recent highs, any renewed supply disruptions or geopolitical escalation could lead to volatility in energy prices and logistics costs. Such developments may influence global growth, inflation dynamics, and external demand for Indian exports. Collectively, these external factors remain key monitorable for India's growth outlook in fiscal 2027.

- **Rising inflationary pressures:** Inflation is projected to rise meaningfully, with CRISIL estimating an increase to 5.1% in fiscal 2027 from 2.1% in the previous fiscal year. Elevated inflation poses a key risk to growth by compressing household disposable incomes and, consequently, private consumption—one of the principal drivers of India's GDP. Rising input costs, particularly energy inputs (including crude oil, natural gas, and mineral oils), are also increasing production costs across industries such as chemicals, plastics, textiles, and construction materials, thereby exerting upward pressure on prices and negatively impacting output levels. Notably, the sharper increase in the Wholesale Price Index (WPI), relative to the Consumer Price Index (CPI), reflects stress on the production side, driven largely by supply chain disruptions linked to geopolitical tensions. Further, higher crude prices are translating into increased fuel costs, with petrol and diesel carrying significant weight in the CPI basket, thereby reinforcing inflationary trends.

- **Weather-related risks:** The India Meteorological Department's projection of below-normal rainfall (around 90% of the long-period average) for the 2026 southwest monsoon season indicates potential stress on agricultural output. The likelihood of weather disruptions, including emerging El Niño conditions, heightens the risk of lower crop yields and supply-side pressures. This, in turn, could lead to elevated food inflation, particularly impacting rural consumption and demand, thereby adding to broader inflationary concerns, and constraining overall economic growth.

- **Tight financial conditions and elevated interest rates:** Lending rates are expected to remain elevated through fiscal 2027, supported by a relatively steady policy repo rate (around 5.25%), evolving liquidity dynamics, and persistent global uncertainties. Elevated borrowing costs may dampen credit offtake, thereby impacting both consumption and investment demand. In an environment of rising inflation, the Reserve Bank of India (RBI) is likely to maintain a cautious stance, prioritizing price stability over aggressive monetary easing. While policy rates may eventually ease, lending rates are expected to remain relatively high in the near term to anchor inflation expectations, which could weigh on aggregate demand and public consumption in the short run.

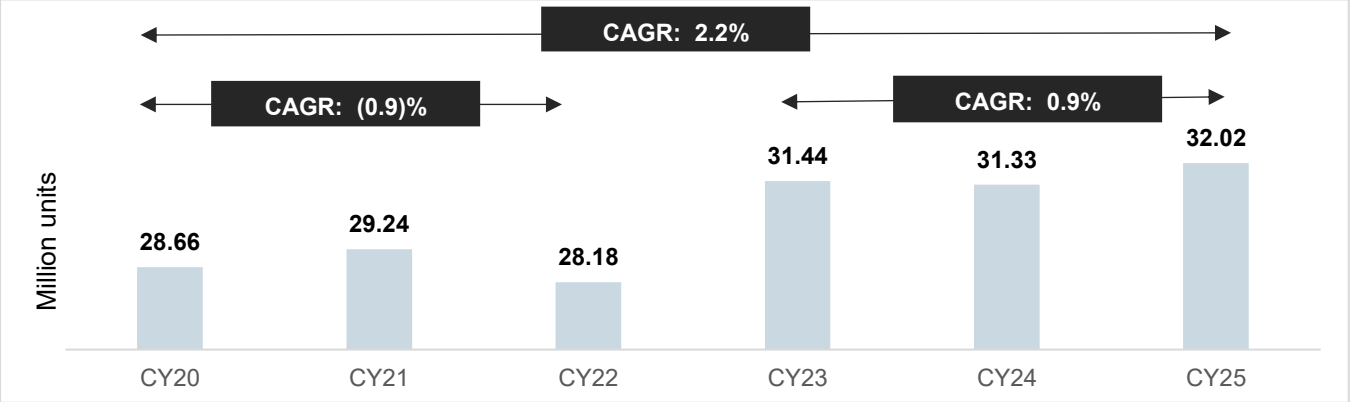
- **Monetary policy constraints:** The global tightening of monetary space, exacerbated by geopolitical tensions such as the West Asia conflict, has limited the flexibility of central banks, including the RBI. With inflationary pressures expected to rise due to supply-side disruptions and elevated energy prices, the RBI is likely to adopt a calibrated and cautious approach to monetary policy. The Monetary Policy Committee (MPC) is expected to maintain its policy stance in the near term, with limited scope for rate cuts, thereby keeping financial conditions relatively tight.

Review and Outlook of the Global Auto Industry

Review of the global passenger vehicles industry (2020 to 2025)

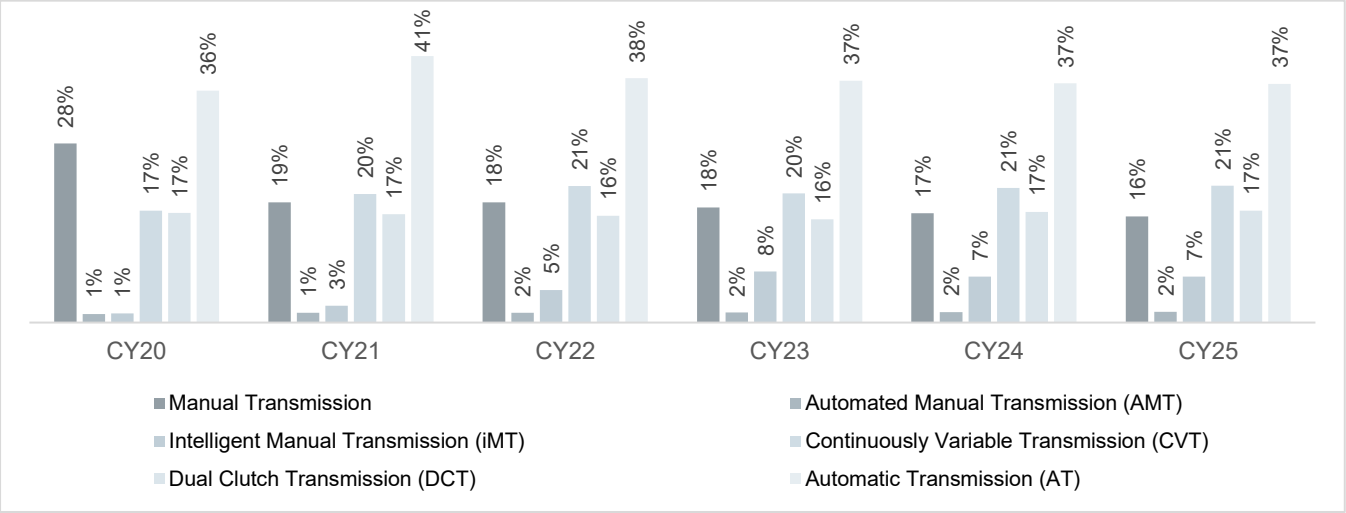
Historic sales development (CY20 to 25)

The global passenger vehicle industry across the United States, Europe, and ASEAN went through a transformation phase between 2020 and 2025. Sales fell from 28.66 million units in 2020 to 28.18 million units in 2022, showing a decline of 0.9% CAGR during this period, mainly because of the pandemic, factory shutdowns, weak consumer demand, semiconductor shortages, supply chain disruption, higher vehicle prices, inflation, and uncertainty in the overall economy. From 2023 onward, the market started improving as supply chains eased, vehicle production normalized, inventories were rebuilt, and customer demand gradually returned, taking sales to 31.44 million units in 2023 to 32.02 million units in 2025, with a CAGR recovery of 0.9% from 2023 to 2025. However, the industry is still below 2019 (35.85 million units) pre-pandemic level, which shows that the recovery has been steady but not complete. The pandemic's impact was undeniable, but the industry has demonstrated resilience and is adapting to a new reality. As the market recovers, electrification and advancements in autonomous driving technologies are poised to become the driving forces, shaping the future of the passenger cars industry. This is not just a recovery; it's a shift in gears towards a more sustainable and technologically advanced automotive landscape. The road ahead remains riddled with uncertainties, but the industry is positioned to navigate them with a renewed focus on innovation, resilience, and commitment to a cleaner future.



Note: Above figures comprise of sales for United States, Europe, and ASEAN countries.
Source: Mordor Intelligence, CRISIL Intelligence

Review of global PV sales volumes based on transmission type (% wise share) (CY20 to 25)



Note: Above figures comprise of sales for United States, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

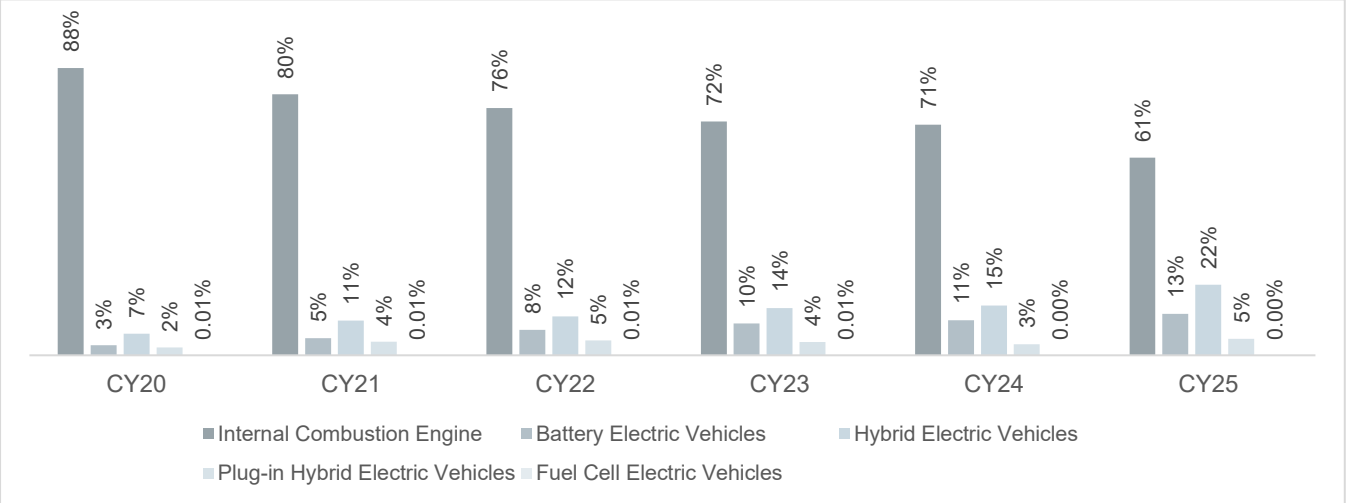
The global passenger vehicle transmission mix underwent a notable shift between CY20 and CY25, reflecting the growing adoption of automated transmission technologies and the gradual decline of traditional manual transmissions. While Automatic Transmission (AT) remained the dominant transmission type throughout the period, its share remained within 36 to 41% range, indicating a more diversified transmission landscape.

Manual Transmission (MT) witnessed the largest decline, falling from 28% in CY20 to 16% in CY25, as consumers increasingly preferred convenience, ease of driving, and advanced drivetrain technologies. At the same time, Continuously Variable Transmissions (CVTs) and Dual Clutch Transmissions (DCTs) strengthened their positions, with CVT share increasing from 17% to 21% and DCT maintaining a relatively stable share of 16 to 17%. The growing adoption of hybrids and fuel-efficient vehicles has supported demand for these transmission types.

Another notable trend was the rise of Intelligent Manual Transmissions (iMTs), whose share increased from 1% in CY20 to 7% in CY25, reflecting growing interest in technologies that combine the efficiency of manual gearboxes with the convenience of clutch-free operation. Meanwhile, Automated Manual Transmissions (AMTs) remained a niche category, accounting for only 1 to 2% of sales throughout the period.

Overall, the data highlights a clear transition from conventional manual transmissions toward more automated and fuel-efficient transmission technologies, driven by changing consumer preferences, vehicle electrification, and increasing demand for enhanced driving comfort and performance.

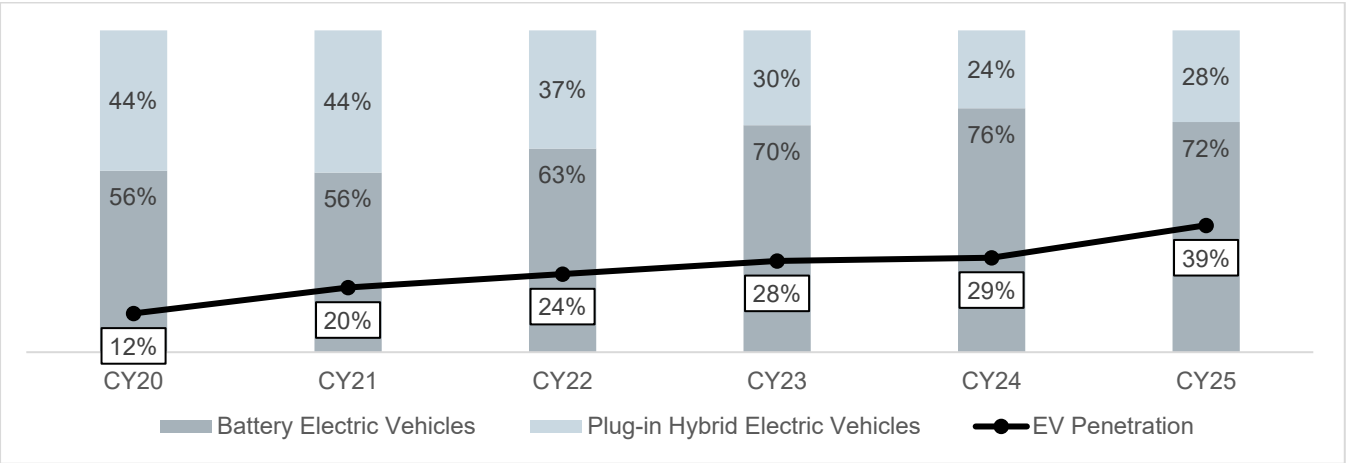
Review of global PV sales volumes based on powertrain type (% wise share) (CY20 to 25)



Note: Above figures comprise of sales for United States, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

The Electric Revolution

Review of electrification trend in global PV sales (BEVs dominance in the electric alternatives lot) (CY20 to 25)



Note: EV penetration is the percentage of overall sales. Also, EV penetration is inclusive of passenger cars and LCVs
Source: EV-volumes.com, CRISIL Intelligence

The global passenger vehicle market witnessed rapid electrification between CY20 and CY25, with overall EV penetration increasing from 12% in CY20 to 39% in CY25. The growth was driven by increasingly stringent emissions regulations, expanding EV model availability, improvements in battery technology, and growing consumer acceptance of electric mobility solutions. As governments and automakers accelerated their focus on decarbonization, electrified vehicles gained significant traction across major automotive markets.

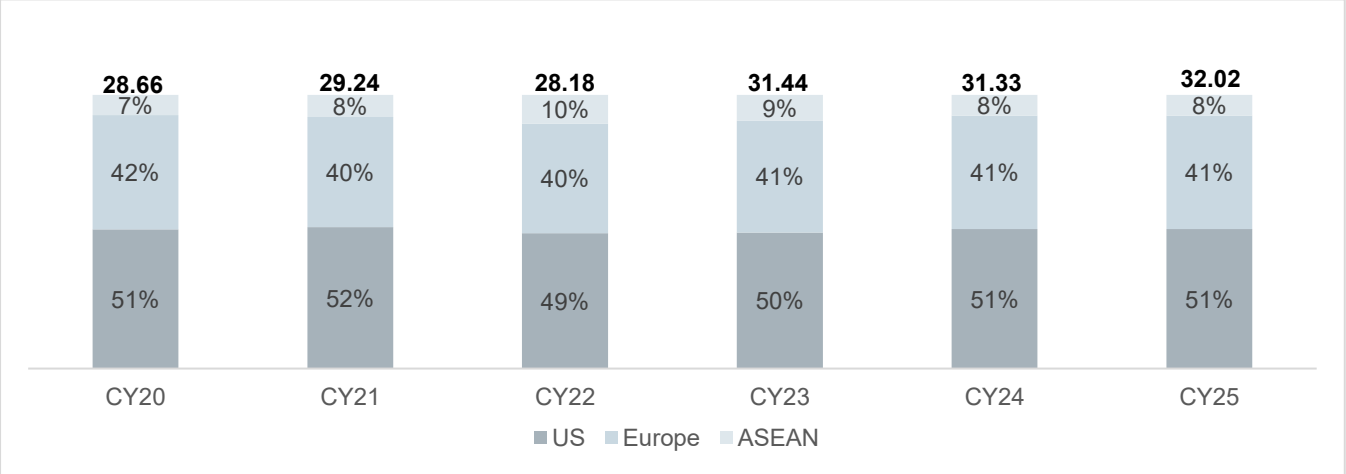
Battery Electric Vehicles (BEVs) remained the dominant electric powertrain throughout the period, accounting for 56% of EV sales in CY20 and increasing to 72% by CY25. This reflects growing consumer preference for fully electric vehicles, supported by improving driving range, expanding charging infrastructure, and declining battery costs. In contrast, the share of Plug-in Hybrid Electric Vehicles (PHEVs) declined from 44% in CY20 to 28% in CY25, as consumers increasingly transitioned toward fully electric alternatives.

CY2026 is expected to be more nuanced than a straightforward BEV acceleration story. S&P Global Mobility's 2026 outlook indicates that electrification is continuing, but at different speeds across regions, with hybrids gaining importance as a practical bridge in markets where BEV adoption is constrained by cost, charging access or policy uncertainty. In North America, policy

and incentive uncertainty is leading OEMs to rework product plans and consider PHEV or range-extender solutions, particularly for larger vehicles where range confidence remains important. In China, BEV momentum remains more resilient, supported by replacement incentives and strong domestic OEM competition.

Industry commentary for 2026 also points to renewed hybrid relevance, high vehicle prices, slower BEV adoption in some markets and growing export pressure from Chinese OEMs. Bloomberg NEF expects global passenger EV sales to exceed 23 million units in 2026, while also noting that growth is slowing in some major markets and that China remains the largest contributor to global EV sales.

Review of global PV sales volumes share by geography (CY20 to 25)

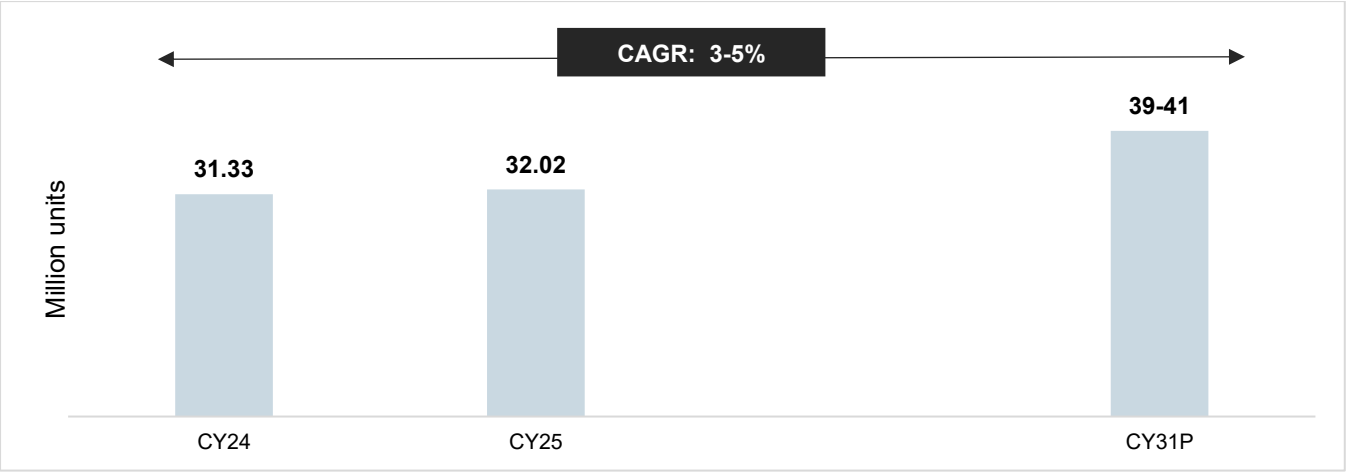


Source: Mordor Intelligence, CRISIL Intelligence

Global passenger vehicle sales experienced a decline from 28.66 million units in CY20 to 28.18 million units in CY22, primarily due to the COVID-19 pandemic, before gradually recovering to 32.02 million units by CY25. Despite the recovery, sales remain below pre-pandemic levels. The geographic distribution of sales has remained largely stable over the period, with the US consistently accounting for around 49 to 52% of global volumes, followed by Europe 40 to 42%, while ASEAN contributed a relatively small but steady share of 7 to 10%. Overall, the sales indicate that the recovery in the global passenger vehicle market has been driven by improvements in overall demand rather than significant shifts in regional market shares.

Outlook of the global passenger vehicles industry (2026 to 2031)

Outlook of global PV sales volume (CY24 to 31P)



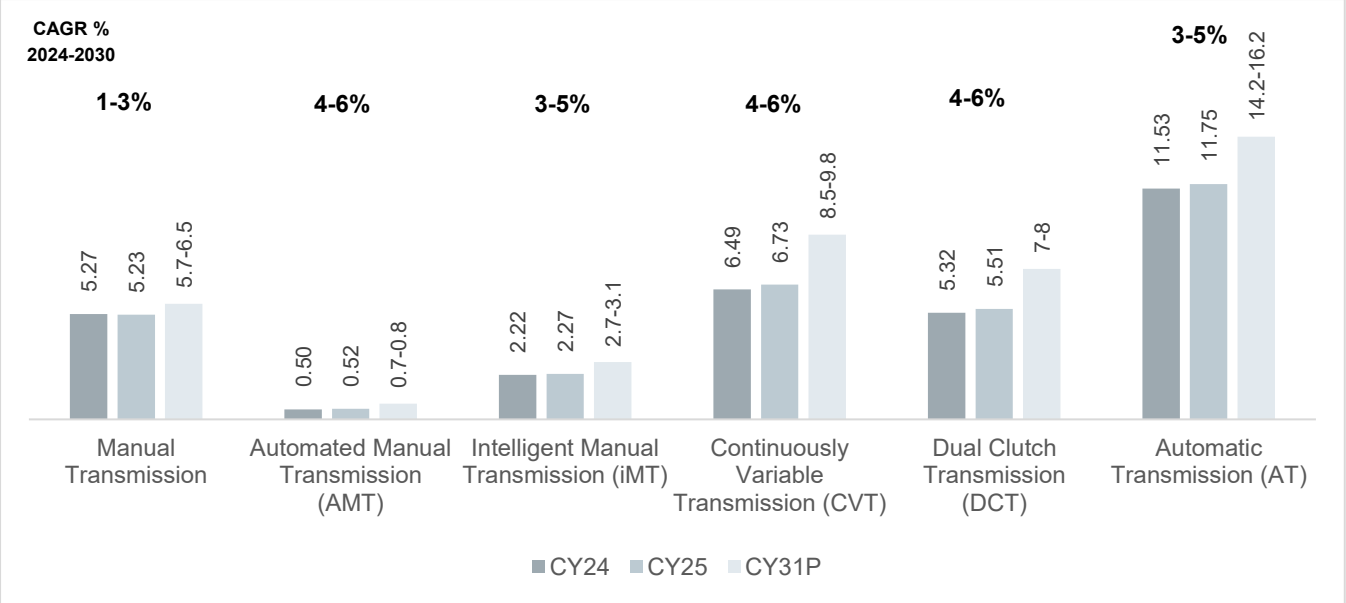
Note: Above figures comprise of sales for United States, Europe, and ASEAN countries. Year ends on December 31. P: Projected
Source: Mordor Intelligence, CRISIL Intelligence

The global passenger vehicle (PV) market across the United States, Europe, and ASEAN is expected to grow steadily from 31.33 million units in CY24 to 39 to 41 million units by CY31P, reflecting a projected CAGR of 3 to 5%. Growth is expected to be supported by improving macroeconomic conditions, easing supply chain constraints, replacement demand in mature automotive markets, and rising vehicle ownership in developing economies. Increasing adoption of electrified vehicles, expanding charging infrastructure, and supportive government policies aimed at reducing vehicle emissions are also expected to drive industry growth. While developed regions such as Europe and the United States are likely to benefit from continued electrification and technology-led vehicle upgrades, ASEAN markets are expected to contribute through rising disposable incomes, urbanization, and expanding automotive production capabilities. Overall, the outlook suggests gradual recovery and expansion of global PV sales, supported by both conventional vehicle demand and the accelerating transition toward cleaner mobility solutions.

Major automakers including Toyota, Volkswagen, Hyundai, General Motors, and Ford continue to expand investments in electrified vehicle platforms, reflecting expectations of long-term growth in EV and hybrid demand.

Governments across the US and Europe have introduced stricter emissions targets and incentives for low-emission vehicles, accelerating powertrain electrification and supporting future PV demand. Global battery manufacturers such as CATL, LG Energy Solution, Samsung SDI, and SK On are expanding production capacity to support rising EV adoption.

Outlook of global PV sales volumes based on transmission type (CY24 to 31P)



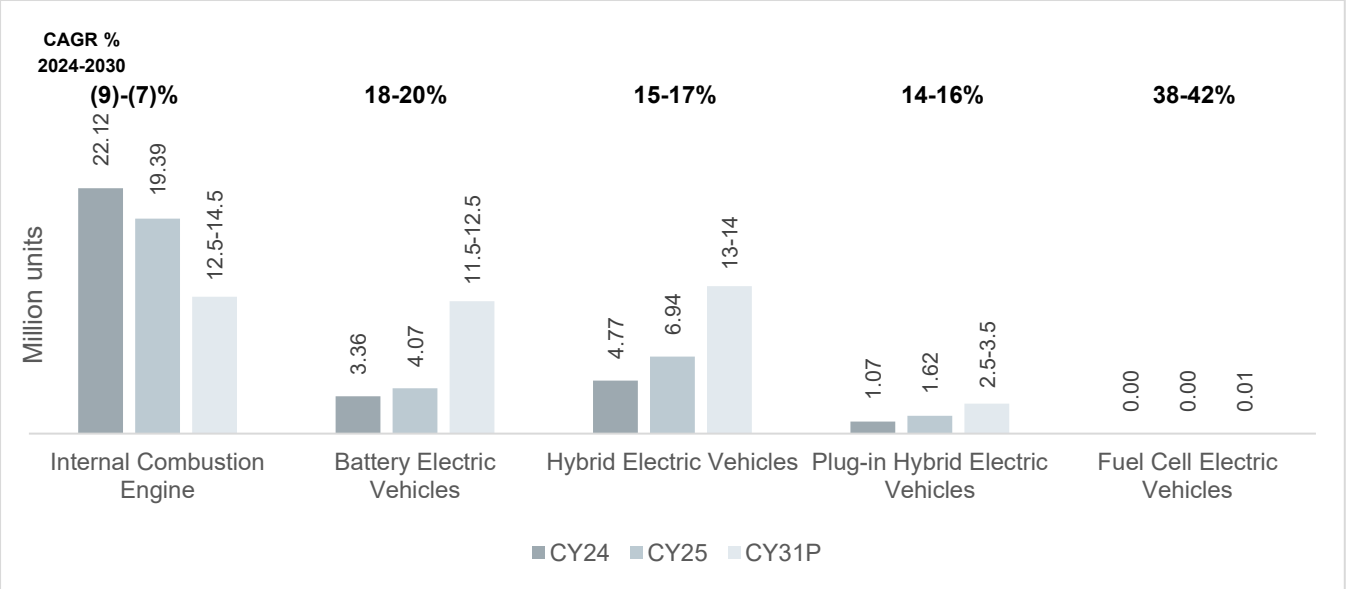
Note: Above figures comprise of sales for United States, Europe, and ASEAN countries. P: Projected
Source: Mordor Intelligence, CRISIL Intelligence

The global passenger vehicle transmission market is expected to witness broad-based growth through CY31P, although growth rates will vary across transmission technologies. CVTs and DCTs are projected to be the fastest-growing segments, expanding at a CAGR of 4 to 6%, supported by increasing adoption in fuel-efficient, hybrid, and premium vehicles. AMTs are also expected to grow at a similar pace, albeit from a smaller base, driven by demand for cost-effective automated transmission solutions in entry-level vehicles.

Automatic Transmissions (ATs) are expected to remain the dominant transmission category, growing from 11.5 million units in CY24 to 14.2 to 16.2 million units by CY31P, reflecting a CAGR of 3 to 5%. Continued consumer preference for convenience, coupled with rising penetration of SUVs and electrified vehicles, is expected to support demand. Intelligent Manual Transmissions (iMTs) are projected to grow at a CAGR of 3 to 5%, benefiting from increasing acceptance of clutch-free driving technologies.

In contrast, Manual Transmissions (MTs) are expected to witness the slowest growth, expanding at a CAGR of only 1 to 3%, as consumers increasingly migrate toward automated and electrification-compatible transmission technologies. Overall, the transmission landscape is expected to become progressively more automated, with ATs, CVTs, and DCTs accounting for an increasing share of global passenger vehicle sales by CY31P.

Outlook of global PV sales volumes based on powertrain type (CY24 to 31P)



Note: Above figures comprise of sales for United States, Europe, and ASEAN countries. P: Projected
Source: Mordor Intelligence, CRISIL Intelligence

The global passenger vehicle powertrain mix is expected to undergo a significant transformation through CY31P, driven by accelerating electrification and declining dependence on conventional ICE vehicles. Internal Combustion Engine (ICE) vehicles are projected to witness the sharpest decline, with sales volumes falling from 22.12 million units in CY24 to 12.5 to 14.5 million units by CY31P, reflecting a negative CAGR of 7 to 9%. The decline is expected to be driven by tightening emissions regulations, increasing EV adoption, and expanding availability of electrified vehicle options across major automotive markets.

In contrast, Battery Electric Vehicles (BEVs) are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18 to 20%, with volumes increasing from 3.36 million units in CY24 to 11.5 to 12.5 million units by CY31P. Hybrid Electric Vehicles (HEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) are also expected to witness strong growth, expanding at 15 to 17% and 14 to 16% CAGR, respectively, as consumers increasingly seek fuel-efficient and lower-emission alternatives. While Fuel Cell Electric Vehicles (FCEVs) are projected to grow at a high percentage rate, their overall contribution is expected to remain negligible due to limited commercialization and infrastructure availability.

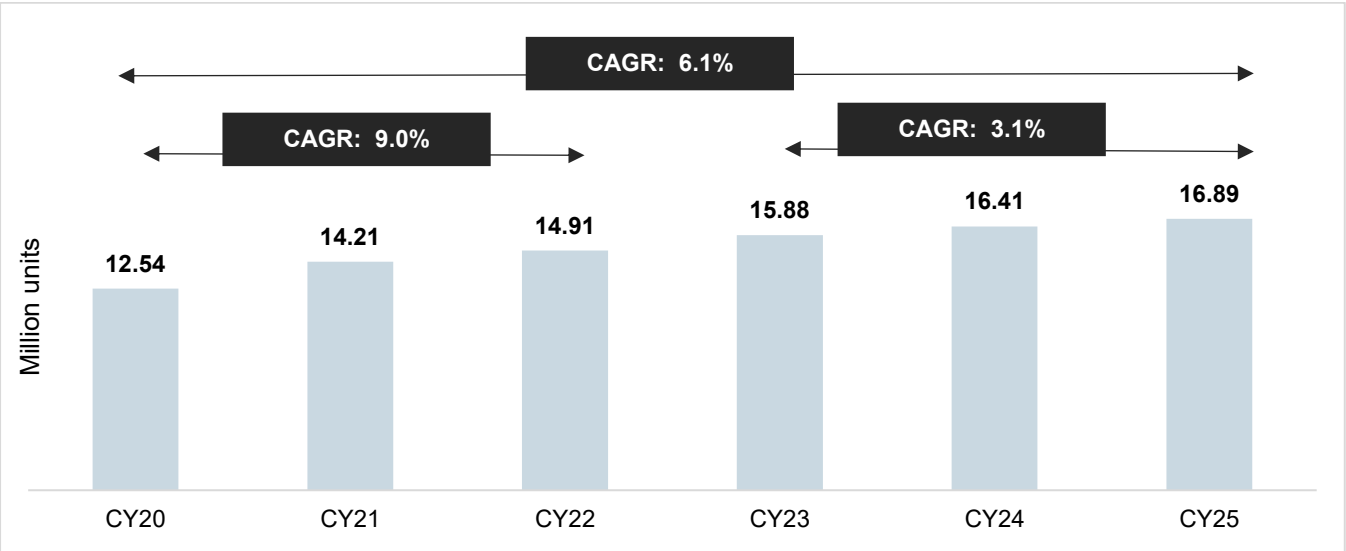
Overall, the outlook highlights a clear shift toward electrified powertrains, with BEVs, HEVs, and PHEVs expected to account for an increasingly larger share of global passenger vehicle sales by CY31P, reshaping the automotive industry's powertrain landscape.

Global two-wheeler industry

Review of the global two-wheeler industry (2020 to 2025)

Historic sales development (CY20 to 25)

Review of global two-wheeler sales volume (CY20 to 25)



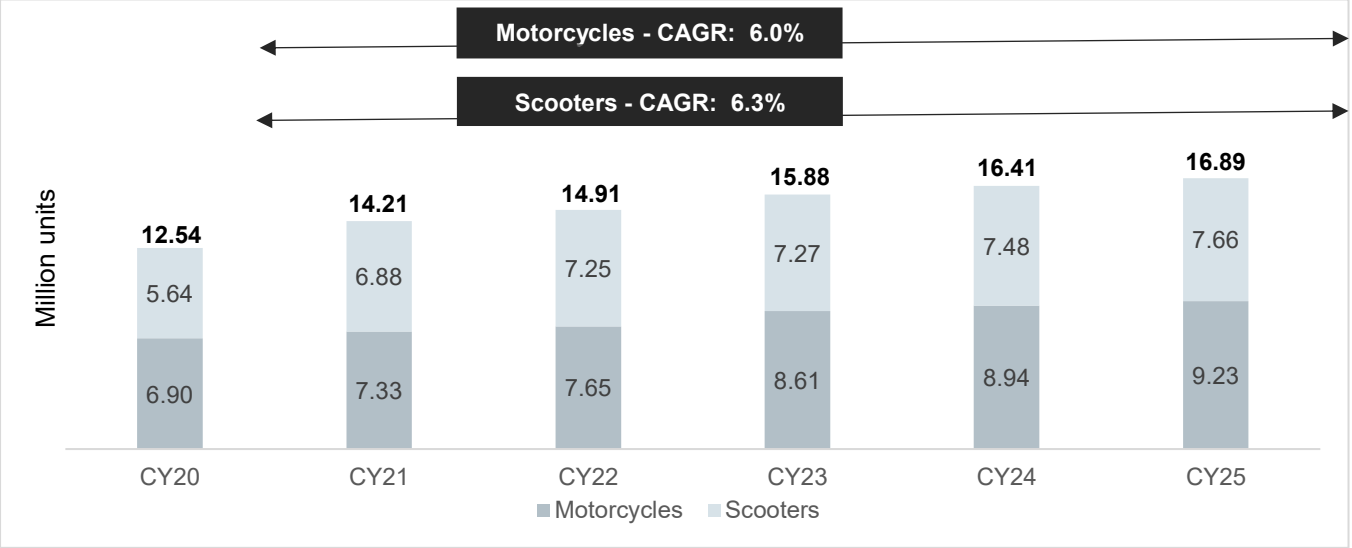
Note: Above figures comprise sales in the US, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

The global two-wheeler industry witnessed steady growth between CY20 and CY25, with sales volumes increasing from 12.54 million units in CY20 to 16.89 million units in CY25, reflecting a CAGR of 6.1%. Growth was particularly strong during CY20 to CY22, when volumes expanded at a CAGR of 9.0%, driven by post-pandemic demand recovery, rising preference for personal mobility solutions, and increasing demand across both developed and emerging markets. The shift away from public transportation during the pandemic also contributed to higher two-wheeler adoption for daily commuting and last-mile transportation.

While the industry continued to expand after CY22, the pace of growth moderated, with volumes increasing at a CAGR of 3.1% during CY23 to CY25. This slower growth reflects market normalization following the strong post-pandemic rebound, along with macroeconomic pressures, inflationary environments, and supply chain adjustments across key markets. However, demand remained supported by growing urbanization, increasing traffic congestion, rising fuel costs, and the affordability of two-wheelers compared with passenger vehicles.

The industry has also benefited from the increasing adoption of electric two-wheelers, supported by technological advancements, improving battery performance, and government initiatives promoting cleaner mobility solutions. As a result, despite the moderation in growth rates, the global two-wheeler market continued to expand through CY25, supported by strong underlying demand for affordable, efficient, and sustainable transportation options.

Review of global two-wheeler sales volume by vehicle segmentation



Note: Above figures comprise sales in the US, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

The global two-wheeler market witnessed healthy growth across both motorcycles and scooters between CY20 and CY25, with total sales increasing from 12.54 million units to 16.89 million units, reflecting growing demand for affordable and convenient mobility solutions. Motorcycles remained the dominant segment throughout the period, accounting for nearly 55% of total sales in CY25, with volumes increasing from 6.90 million units in CY20 to 9.23 million units in CY25, representing a CAGR of 6.0%. Growth was supported by rising urbanization, increasing demand for personal transportation, and the affordability of motorcycles compared with passenger vehicles, particularly in emerging markets.

The scooter segment also demonstrated strong growth, with volumes increasing from 5.64 million units in CY20 to 7.66 million units in CY25, reflecting a slightly higher CAGR of 6.3%. Scooters benefited from increasing consumer preference for convenient urban mobility, ease of operation, lower maintenance requirements, and rising adoption among commuters. The segment also gained traction as cities became more congested and consumers sought practical solutions for short-distance travel and last-mile connectivity.

Overall, both motorcycles and scooters contributed to the expansion of the global two-wheeler industry during the review period. While motorcycles continued to lead the market in volume terms, scooters experienced marginally faster growth, reflecting changing consumer preferences toward urban mobility solutions. The increasing adoption of electric two-wheelers, supportive government policies, and rising fuel costs are also expected to influence future demand patterns across both vehicle segments.

Motorcycles

Review of global motorcycles sales volume by displacement type

The global ICE motorcycle market is expected to remain dominated by the below-600cc segment, reflecting strong demand for affordable, fuel-efficient, and practical motorcycles used for daily commuting and personal transportation. These motorcycles continue to benefit from lower acquisition and maintenance costs, making them the preferred choice in volume-driven markets.

Meanwhile, the above-600cc segment is expected to grow steadily, supported by increasing consumer interest in premium, touring, cruisers, and performance motorcycles. Although it accounts for a smaller share of overall volumes, the segment is benefiting from rising premiumization and growing demand for recreational and lifestyle-oriented riding experiences. Global demand for higher cc (>600 cc) motorcycles remained stable, with its share holding steady at around 14% between CY20 and CY25. Overall, while sub-600cc motorcycles will continue to drive industry volumes, higher-displacement motorcycles are expected to contribute increasingly to market value growth due to their premium positioning and higher average selling prices.

Between CY20 and CY25, the global ICE motorcycle market recovered strongly from pandemic-related disruptions, with total sales increasing from 6.90 million units to 9.23 million units. Growth was primarily driven by the below-600cc segment, which remained the dominant category due to its affordability, fuel efficiency, and suitability for daily commuting. Meanwhile, the above-600cc segment also expanded, supported by rising demand for premium, touring, and performance motorcycles. As a result, the market not only regained lost volumes but also benefited from growing consumer interest in higher-displacement motorcycles, reflecting a gradual trend toward premiumization.

Review of global motorcycles sales volume by propulsion type

Note: Above figures comprise sales in the US, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

Between CY20 and CY25, the global motorcycle market remained overwhelmingly dominated by Internal Combustion Engine (ICE) vehicles, although the share of electric motorcycles (EVs) increased gradually. ICE motorcycles accounted for 99.3% of total sales in CY20, declining marginally to 98.0% in CY25, while EV penetration increased from 0.7% to 2.0% during the same period.

The increase in EV share, although from a low base, reflects growing consumer acceptance of electric two-wheelers, supported by advancements in battery technology, improving charging infrastructure, and government initiatives promoting cleaner mobility solutions. However, ICE motorcycles continue to dominate the market due to their established fueling infrastructure, wider product availability, longer range capabilities, and stronger affordability proposition across several key markets. Overall, while the industry remains largely ICE-driven, the gradual increase in electric motorcycle adoption indicates the early stages of the two-wheeler market's transition toward electrification.

Scooters

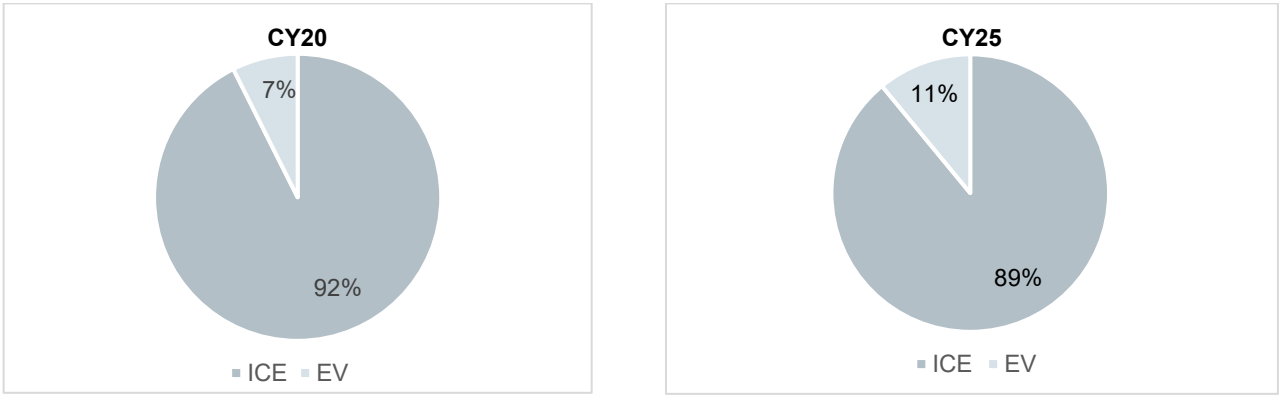
Review of global scooters sales volume by displacement type

The global ICE scooter market witnessed a strong recovery between CY20 and CY25, with sales volumes increasing from 5.22 million units in CY20 to 6.82 million units in CY25. The recovery was driven by rising demand for affordable personal mobility, increasing urbanization, and the growing preference for scooters as a convenient mode of transportation in congested urban areas.

The below-125cc segment remained the largest category throughout the period, accounting for just over 50% of total ICE scooter sales in CY25. These scooters continue to be favored due to their affordability, fuel efficiency, ease of maneuverability, and suitability for daily commuting. However, the above-125cc segment expanded at a slightly faster pace, increasing its share from 45.4% in CY20 to nearly 49.7% in CY25, reflecting a gradual shift toward higher-performance and feature-rich scooters.

Overall, the narrowing gap between the two displacement categories indicates a gradual premiumization trend within the scooter market. While lower-displacement scooters continue to dominate volumes, consumers are increasingly opting for larger scooters that offer greater comfort, improved performance, and enhanced versatility for longer-distance travel and urban commuting.

Review of global scooters sales volume by propulsion type



Note: Above figures comprise sales in the US, Europe, and ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

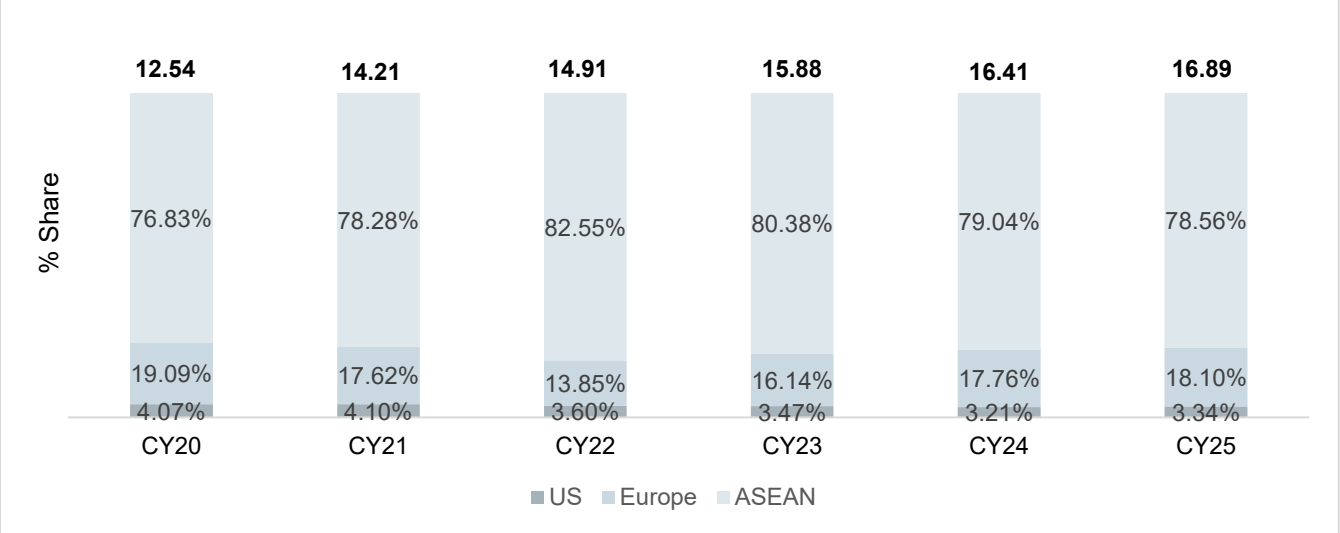
The global scooter market is witnessing a faster transition toward electrification compared with motorcycles, although ICE scooters continue to dominate overall sales volumes. Between CY20 and CY25, the share of electric scooters increased from 7% to 11%, while the share of ICE scooters declined from 92% to 89%.

The higher penetration of electric scooters reflects their strong suitability for urban mobility applications, where shorter travel distances, lower operating costs, and ease of charging make electric powertrains increasingly attractive. Growing environmental awareness, tightening emission norms, government incentives for electric mobility, and advancements in battery technology have further accelerated EV scooter adoption across several markets.

Despite this shift, ICE scooters continue to account for most sales due to their established refueling infrastructure, wider model availability, and suitability for consumers requiring longer range and lower upfront purchase costs. Overall, while the scooter industry remains predominantly ICE-driven, the increase in EV penetration between CY20 and CY25 highlights the segment's rapid electrification and positions scooters as one of the leading categories in the transition toward electric two-wheeler mobility.

Review of global two-wheelers by geography (CY20 to 25)

Review of global two-wheeler sales volume share by geography



Source: Mordor Intelligence, CRISIL Intelligence

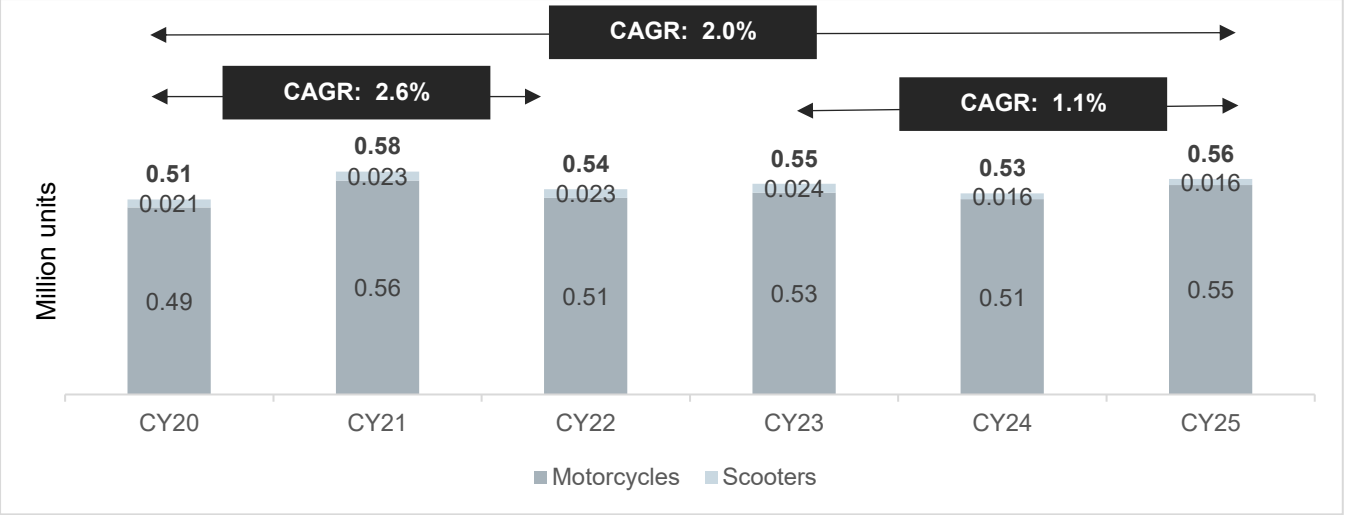
The global two-wheeler market remained overwhelmingly concentrated in ASEAN between CY20 and CY25, with the region consistently accounting for 76 to 83% of total sales volumes. ASEAN's dominance is driven by the widespread use of motorcycles and scooters as primary modes of transportation, supported by high population density, rising urbanization, relatively lower vehicle ownership costs, and limited public transportation coverage in several markets. The region's share peaked at 82.6% in CY22 before moderating slightly to 78.6% in CY25, although it continued to represent the largest two-wheeler market globally by a significant margin.

In contrast, Europe accounted for 14 to 19% of global two-wheeler sales during the period, making it the second-largest market. The region benefits from strong demand for premium motorcycles, urban mobility scooters, and increasing adoption of electric two-wheelers, particularly in countries with supportive mobility and sustainability policies. Meanwhile, the US remained a relatively small market, accounting for only 3 to 4% of global two-wheeler sales, reflecting the country's stronger preference for passenger vehicles and lower reliance on two-wheelers for daily commuting.

Overall, the geographic distribution highlights the importance of ASEAN as the primary growth engine for the global two-wheeler industry, while Europe continues to represent a significant market driven by premiumization and urban mobility trends. The US, although smaller in volume terms, remains an important market for high-value motorcycles and recreational riding segments.

United States

Review of two-wheeler sales volume in the US



Source: Mordor Intelligence, CRISIL Intelligence

The US market is predominantly a motorcycle market, with 95%+ share in sales. In fact, within motorcycles, the premium models are the most preferred. Two-wheelers are viewed as lifestyle vehicles in these countries rather than a primary mode of transport.

Review of motorcycles sales volume by displacement type

Source: Mordor Intelligence, CRISIL Intelligence

Review of scooters sales volume by displacement type

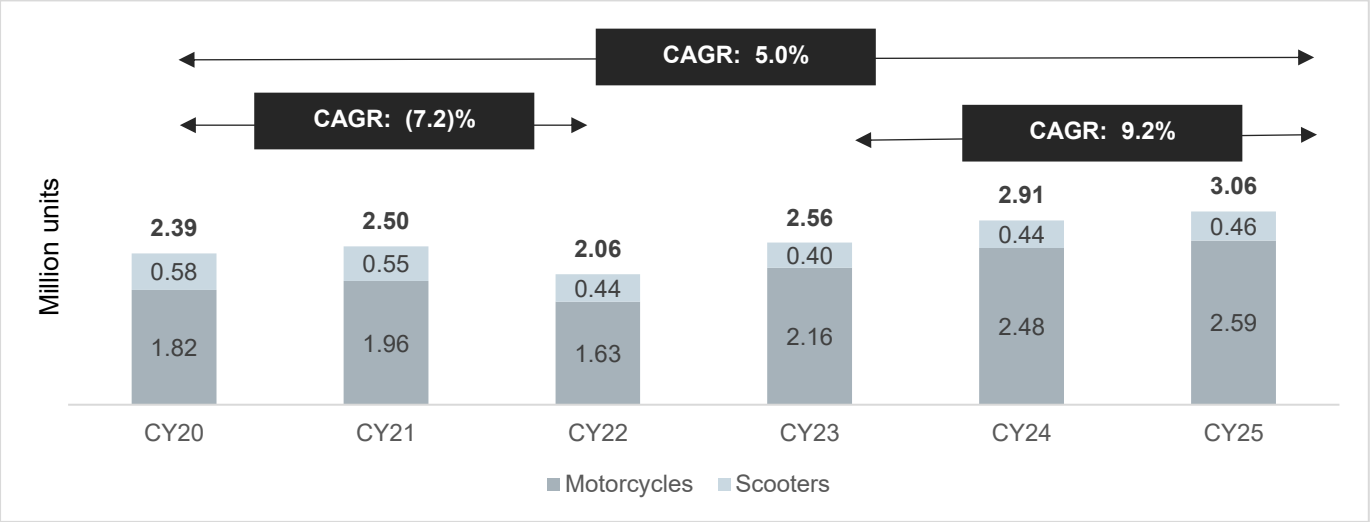
Source: Mordor Intelligence, CRISIL Intelligence

Electric scooters have not quite taken off yet, with sales mainly concentrated in urban areas. While they offer an eco-friendly option, a higher price tag and limited charging network keep them from widespread adoption.

The table toppers of the US scooter market are the smaller, fuel-efficient models under 125cc with 52% market share as of 2020. Their affordability, nimble size and good gas mileage make them ideal for navigating city streets and conquering short commutes. In contrast, larger scooters, exceeding 125cc, have not gained much traction as far as volumes are concerned. However, in the overall scooter segment, they have been able to hover in the range of 40 to 45% between 2020 and 2025. Electric scooters have gained traction over the years with penetration reaching from 6% in 2020 to almost double i.e., 12% in 2025.

Europe

Review of two-wheeler sales volume in Europe



Source: Mordor Intelligence, CRISIL Intelligence

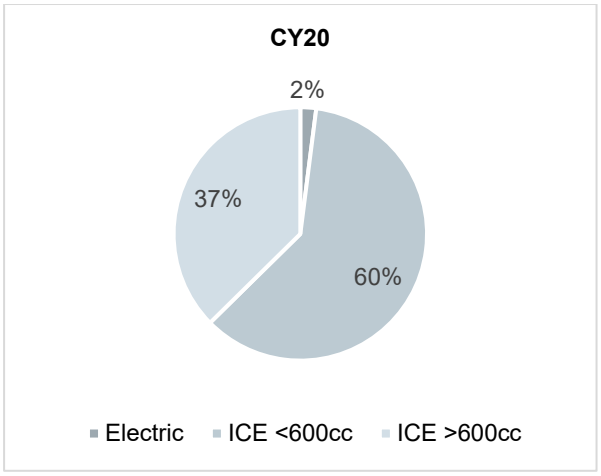
The European two-wheeler market witnessed strong growth between CY20 and CY25, with sales volumes increasing from 2.39 million units to 3.06 million units, reflecting a CAGR of 5.0%. Growth was driven by increasing demand for personal mobility solutions, urban commuting needs, and rising adoption of two-wheelers as a cost-effective alternative to passenger vehicles. Following a temporary decline in CY22, the market rebounded strongly, supported by improving economic conditions and growing interest in motorcycles and scooters across the region.

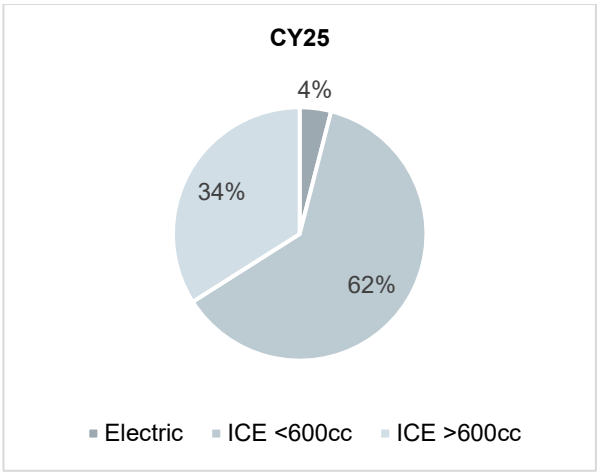
Motorcycles remained the dominant segment, accounting for approximately 85% of total two-wheeler sales in CY25. Motorcycle volumes increased from 1.82 million units in CY20 to 2.59 million units in CY25, registering a CAGR of 7.4%. Growth was supported by rising popularity of leisure riding, touring, adventure motorcycles, and premium motorcycle ownership, particularly across key European markets.

The scooter segment saw a dip in volume from 0.58 million units in CY20 to 0.46 million units in CY25 although volumes remained relatively stable compared to motorcycles. Scooters continue to benefit from urban mobility trends, ease of use, and increasing adoption for daily commuting in densely populated cities but at a CAGR of negative 4.4% from CY20 to CY25.

Overall, the European two-wheeler market continues to be driven primarily by motorcycles, which have gained share over the review period. The market also benefits from increasing electrification, sustainability initiatives, and evolving mobility preferences, supporting long-term demand for both motorcycles and scooters across the region.

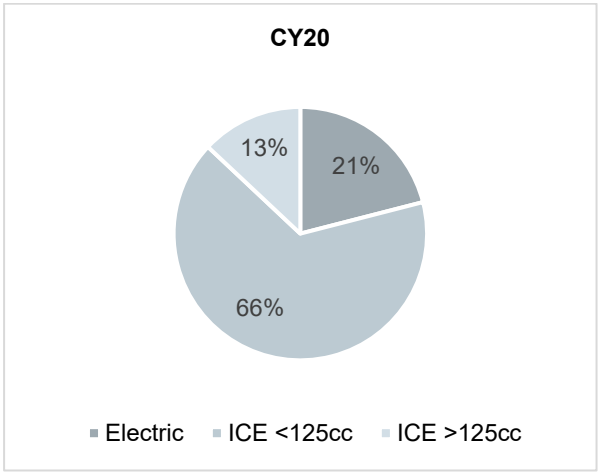
Review of motorcycles sales volume by displacement type

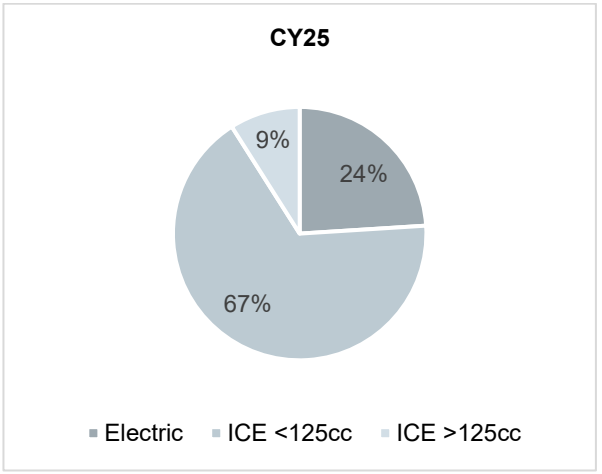




Source: Mordor Intelligence, CRISIL Intelligence

Review of scooter sales volume by displacement type





Source: Mordor Intelligence, CRISIL Intelligence

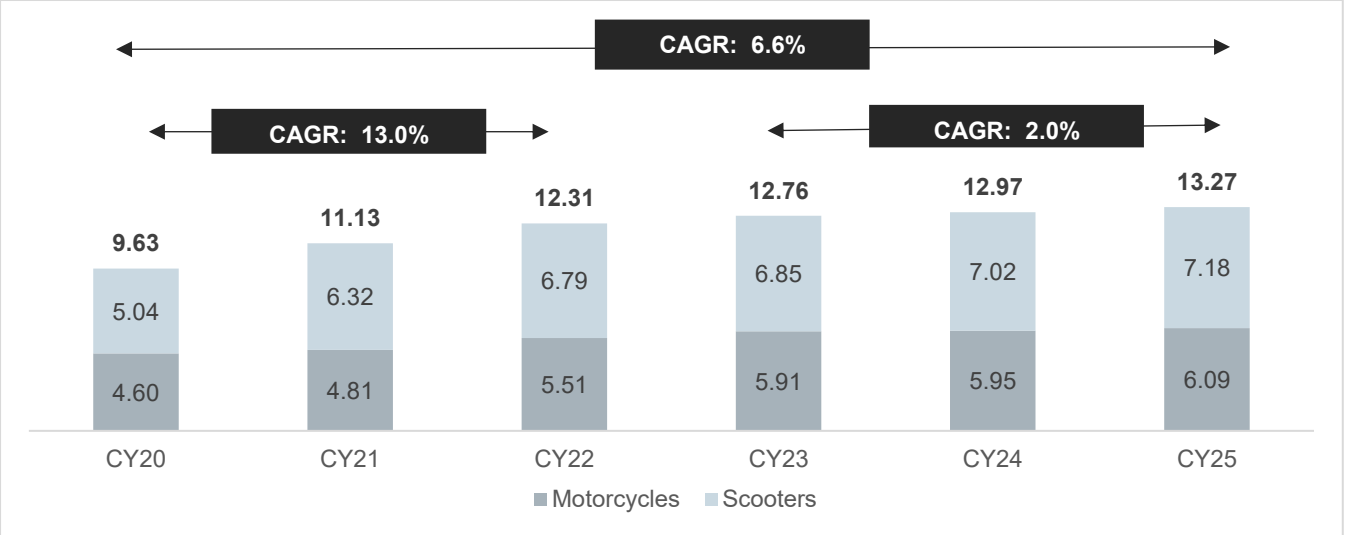
The European two-wheeler market witnessed a gradual shift toward electrification between CY20 and CY25, although ICE vehicles continued to dominate sales across both motorcycles and scooters. For motorcycles, ICE motorcycles below 600cc remained the largest segment, increasing their share from 60% in CY20 to 62% in CY25, reflecting continued demand for affordable and versatile motorcycles. Meanwhile, ICE motorcycles above 600cc saw their share decline from 37% to 34%, indicating relatively stronger growth in smaller-displacement motorcycles. Electric motorcycles, while still a niche category, doubled their share from 2% to 4%, highlighting growing consumer interest in electric mobility.

A similar trend was observed in the scooter market, although electrification progressed at a faster pace. ICE scooters below 125cc continued to dominate, accounting for 66 to 67% of total scooter sales during the period, supported by their suitability for urban commuting and lower operating costs. The share of electric scooters increased from 21% to 24%, reflecting growing consumer preference for EV scooters. In contrast, the share of ICE scooters greater than 125cc declined from 13% in CY20 to 9% in CY25, suggesting consumers shifting preference.

Overall, the European two-wheeler market remains predominantly ICE-driven, with sub-600cc motorcycles and sub-125cc scooters forming the backbone of industry volumes. However, the gradual increase in electric motorcycle penetration and the sustained presence of electric scooters indicate continued progress toward electrification, supported by evolving mobility preferences and the region's focus on sustainable transportation.

ASEAN

Review of two-wheeler sales volume in ASEAN



Source: Mordor Intelligence, CRISIL Intelligence

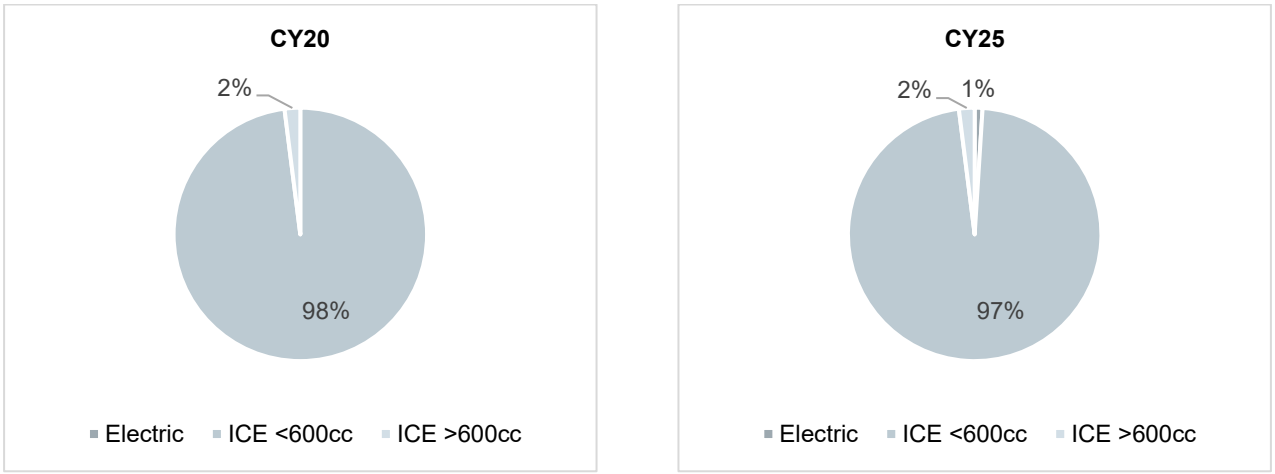
ASEAN continues to be the largest two-wheeler market among the regions under review, driven by favorable demographics, increasing urban mobility needs, and the affordability of two-wheelers compared with passenger vehicles. The region offers competitive labor costs, a robust infrastructure, and access to major global markets through trade agreements such as Regional Comprehensive Economic Partnership. With a population exceeding 650 million and a growing middle class, it presents a substantial consumer base, combined with the long history of political stability and well-established legal systems, which are conducive to foreign investment, the cost competitiveness and substantial OEM consumption opportunity.

The ASEAN two-wheeler market recorded strong growth between CY20 and CY25, with sales volumes increasing from 9.63 million units to 13.27 million units, reflecting a CAGR of 6.6%. The market witnessed particularly strong growth during CY20 to CY22 (CAGR: 13.0%) as economic activity recovered following the pandemic and demand for affordable personal mobility increased. Growth moderated after CY22 (CY23 to 25: CAGR: 2.0%) as the market entered a more normalized phase.

Scooters remained the largest segment throughout the period, accounting for approximately 54% of total two-wheeler sales in CY25. Scooter sales increased from 5.04 million units in CY20 to 7.18 million units in CY25, driven by their affordability, fuel efficiency, ease of use, and suitability for urban commuting. The segment also benefited from growing demand for last-mile mobility and increasing adoption across densely populated cities.

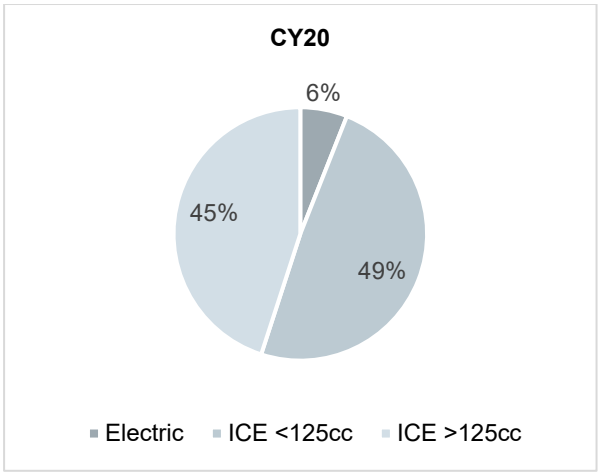
Motorcycle sales also expanded steadily, rising from 4.60 million units in CY20 to 6.09 million units in CY25. Demand was supported by rising vehicle ownership, growing urbanization, and the continued importance of motorcycles as a primary mode of transportation across several ASEAN countries. Motorcycles remain particularly popular in markets where two-wheelers are widely used for both personal and commercial purposes.

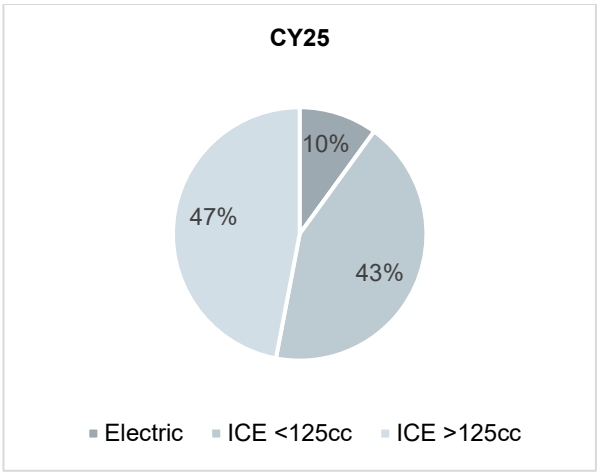
Review of motorcycles sales volume by displacement type



Source: Mordor Intelligence, CRISIL Intelligence

Review of scooter sales volume by displacement type





Source: Mordor Intelligence, CRISIL Intelligence

The ASEAN two-wheeler market remains overwhelmingly dominated by ICE-powered vehicles, particularly motorcycles below 600cc and scooters, reflecting the region's strong preference for affordable and practical mobility solutions. Between CY20 and CY25, the motorcycle segment composition remained largely unchanged, with ICE motorcycles below 600cc accounting for 98% of sales in CY20 and 97% in CY25. This underscores the importance of small-displacement motorcycles as the primary mode of transportation across several ASEAN countries, driven by their affordability, fuel efficiency, and suitability for daily commuting. Electric motorcycles remain at a nascent stage, accounting for approx. 1% of motorcycle sales, indicating that electrification in this segment is still in its early stages.

In the scooter market, however, electrification has gained greater traction. The share of electric scooters increased from 6% in CY20 to 10% in CY25, reflecting growing consumer acceptance of electric mobility solutions and increasing government support for vehicle electrification. At the same time, ICE scooters below 125cc remained the largest scooter category in CY20, although their share declined from 49% to 43% in CY25, while ICE scooters above 125cc increased from 45% to 47%, indicating a gradual shift toward higher-performance scooters.

Overall, the ASEAN two-wheeler market continues to be strongly volume-driven by small-displacement ICE vehicles, owing to their affordability and widespread applicability. However, the increasing penetration of electric scooters and the growing share of higher-displacement scooters suggest evolving consumer preferences and the early stages of the region's transition toward premiumization and electrification.

Major global two-wheeler manufacturers

Honda Motor Co., Ltd. (Japan)

Founded in 1948 and headquartered in Tokyo, Japan, Honda is the world's largest two-wheeler manufacturer by sales volume. The company operates manufacturing facilities across Asia, Europe, and the Americas and sells motorcycles and scooters in more than 150 countries. Honda is particularly strong in the commuter motorcycle, scooter, and entry-level segments, while also maintaining a significant presence in premium motorcycles through models such as the Gold Wing, Africa Twin, and CB series.

Yamaha Motor Co., Ltd. (Japan)

Established in 1955 and headquartered in Iwata, Japan, Yamaha is one of the leading global motorcycle manufacturers. The company is known for its broad portfolio spanning commuter motorcycles, scooters, sport bikes, and premium performance motorcycles. Yamaha has a strong manufacturing footprint across Asia and maintains a significant presence in both developed and emerging markets.

Hero MotoCorp Ltd. (India)

Founded in 1984 and headquartered in New Delhi, India, Hero MotoCorp is one of the largest motorcycle manufacturers globally and the market leader in India. The company operates multiple manufacturing plants across India and focuses primarily on entry-level and commuter motorcycles, with an expanding portfolio of electric two-wheelers and premium models.

Bajaj Auto Ltd. (India)

Established in 1945 and headquartered in Pune, India, Bajaj Auto is one of the world's largest manufacturers of motorcycles and three-wheelers. The company is known for brands such as Pulsar, Dominar, and KTM (through a strategic partnership) and exports products to more than 70 countries, particularly across Asia, Africa, and Latin America.

TVS Motor Company (India)

Founded in 1978 and headquartered in Chennai, India, TVS Motor is a leading manufacturer of motorcycles, scooters, and electric two-wheelers. The company has a strong presence in commuter segments and has expanded internationally through acquisitions and exports to over 80 countries.

Suzuki Motor Corporation (Japan)

Founded in 1909 and headquartered in Hamamatsu, Japan, Suzuki is a major global manufacturer of motorcycles and scooters. The company has a strong presence in small-displacement motorcycles and scooters, particularly in Asia, while also producing premium motorcycles for global markets.

Kawasaki Motors Ltd. (Japan)

Headquartered in Akashi, Japan, Kawasaki is globally recognized for its high-performance motorcycles. The company focuses on sport bikes, adventure motorcycles, touring motorcycles, and premium segments, with strong brand recognition among motorcycle enthusiasts worldwide.

BMW Motorrad (Germany)

BMW Motorrad is the motorcycle division of BMW Group and is headquartered in Munich, Germany. The company specializes in premium motorcycles, including adventure, touring, roadster, and sport segments. BMW is particularly known for its GS series, which is among the best-selling adventure motorcycle platforms globally.

Harley-Davidson, Inc. (United States)

Founded in 1903 and headquartered in Milwaukee, Wisconsin, Harley-Davidson is one of the world's most iconic motorcycle brands. The company specializes in heavyweight cruisers, tour motorcycles, and lifestyle-oriented premium motorcycles, with a strong presence in North America and Europe.

Piaggio Group (Italy)

Founded in 1884 and headquartered in Pontedera, Italy, Piaggio is a leading global scooter manufacturer through brands such as Vespa, Aprilia, and Moto Guzzi. The company has a strong position in the European scooter market and is increasingly investing in electric two-wheelers.

KTM AG (Austria)

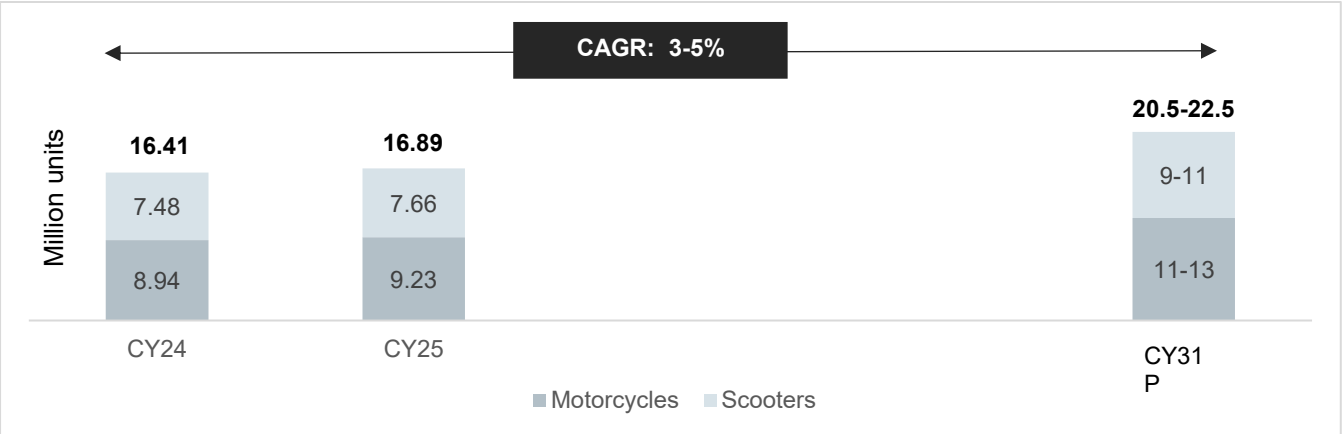
Headquartered in Mattighofen, Austria, KTM is one of the world's leading manufacturers of off-road, adventure, and performance motorcycles. The company has a strong global presence and is particularly popular in the premium and enthusiast motorcycle segments.

Royal Enfield (India)

Founded in 1901 and currently headquartered in Chennai, India, Royal Enfield is one of the oldest motorcycle brands in continuous production. The company specializes in mid-sized motorcycles (250cc to 750cc) and has witnessed strong global growth driven by its retro-styled motorcycles and expanding international presence.

Outlook of the global two-wheeler industry (2026 to 2031)

Outlook of two-wheeler sales volumes by vehicle type



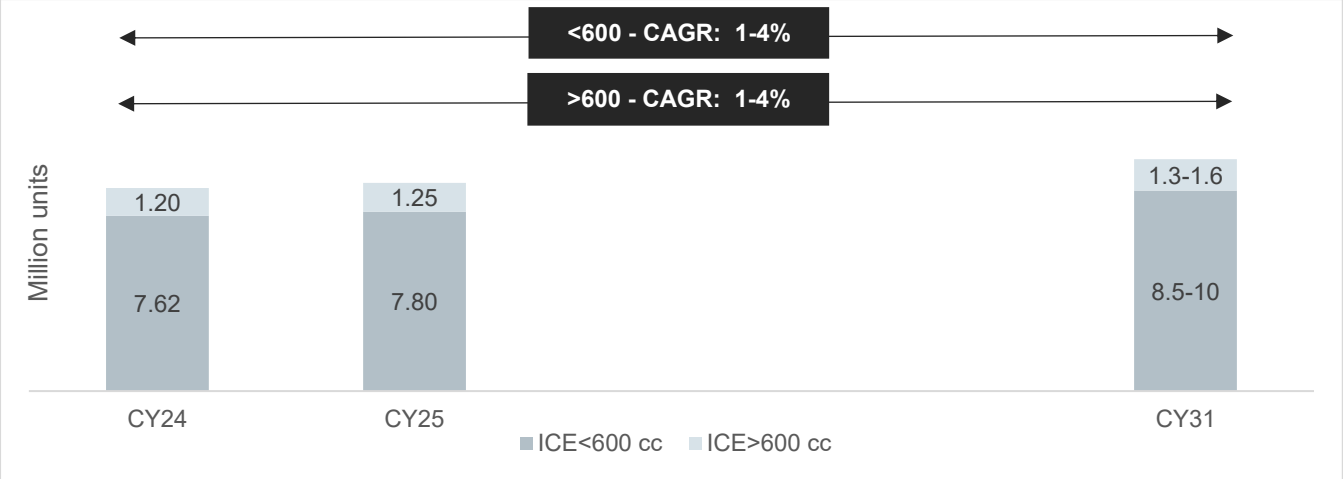
Note: P – Projected
Source: Mordor Intelligence, CRISIL Intelligence

The global two-wheeler market is expected to witness steady growth through CY31P, with sales volumes projected to increase from 16.41 million units in CY24 to 20.5 to 22.5 million units by CY31P, representing a CAGR of 3 to 5%. Growth is expected to be driven by increasing urbanization, rising demand for affordable personal mobility solutions, and growing traffic congestion across major cities, particularly in developing markets where two-wheelers remain a primary mode of transportation.

Motorcycles are expected to retain their dominant position, with sales volumes projected to increase from 8.94 million units in CY24 to 11 to 13 million units by CY31P. Demand will continue to be supported by their affordability, fuel efficiency, and widespread use for daily commuting, commercial transportation, and personal mobility. At the same time, the scooter segment is expected to record healthy growth, with volumes increasing from 7.48 million units to 9 to 11 million units, driven by growing urban mobility needs, ease of use, and increasing adoption among younger consumers and city commuters.

The market is also expected to benefit from the gradual transition toward electrification, improving battery technology, and supportive government policies promoting clean transportation. Overall, while motorcycles will continue to account for most two-wheeler sales, scooters are expected to gain traction as urban mobility solutions, supporting the long-term expansion of the global two-wheeler industry.

Outlook of two-wheeler motorcycles sales volumes by displacement type



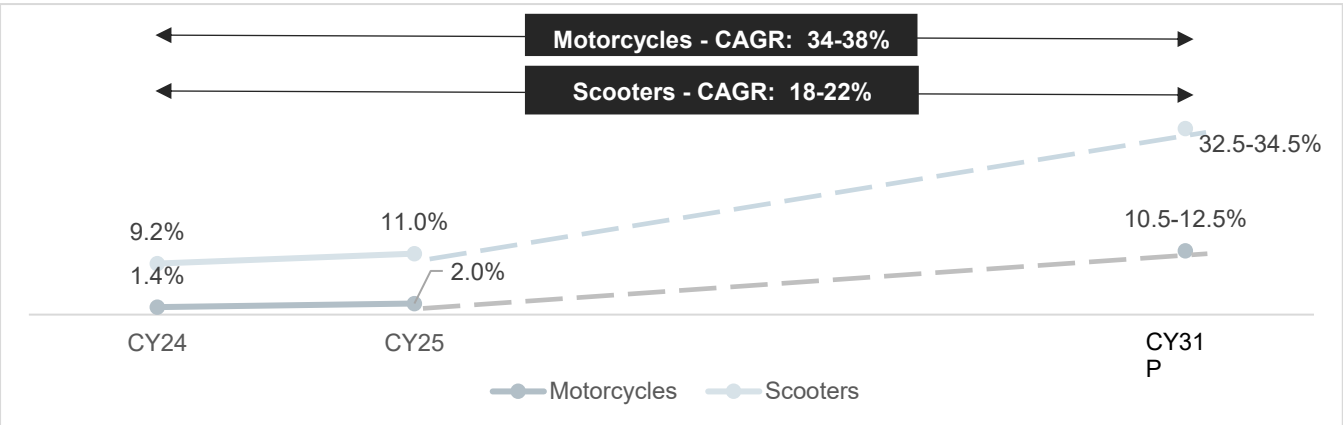
Note: P – Projected
Source: Mordor Intelligence, CRISIL Intelligence

The global motorcycle market is expected to remain dominated by the below-600cc segment through CY31P, driven by strong demand for affordable, fuel-efficient, and commuter-focused motorcycles. While sub-600cc motorcycles will continue to account for the majority of sales volumes, the above-600cc segment is expected to witness steady growth, supported by increasing demand for premium, touring, and performance motorcycles. Overall, industry growth is expected to be driven by mass-market motorcycles, while larger-displacement models contribute to premiumization and value growth.

Outlook of EV penetration in the global two-wheelers industry (2024 to 2031)

Environmentally conscious consumers and burgeoning urban populations are demanding cleaner, more maneuverable transportation options, thus making way for electric two-wheelers in the market. Governments are responding with subsidies and infrastructure investments, while on the financing front, fintech companies are creating financing solutions such as low-interest loans and battery leasing to make electric two-wheelers more accessible.

Outlook of overall EV penetration in the global motorcycles industry



Note: P – Projected
Source: Mordor Intelligence, CRISIL Intelligence

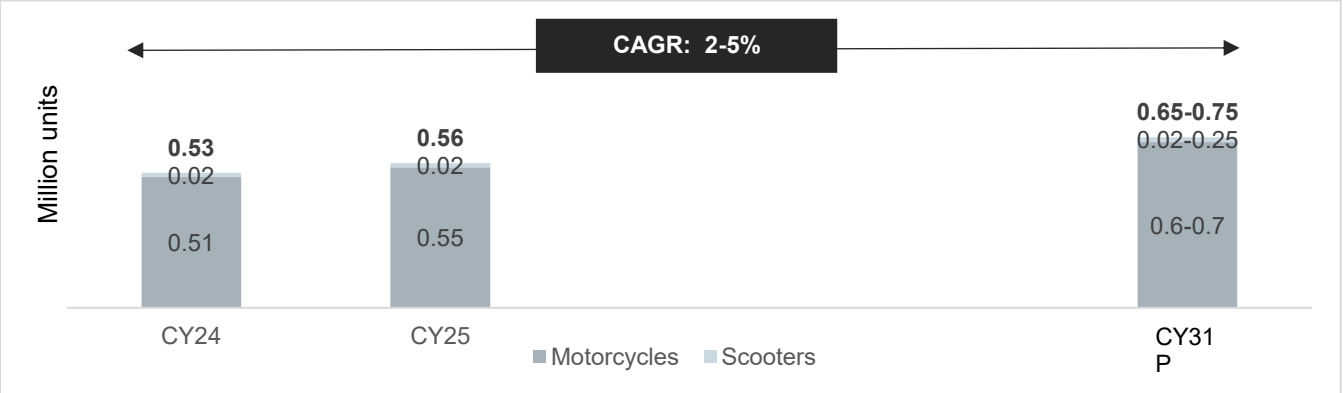
The global two-wheeler industry is expected to witness a significant acceleration in electrification through CY31P, with electric motorcycles and scooters gaining share across major markets. EV penetration in the motorcycle segment is projected to increase from 2.0% in CY25 to 10.5 to 12.5% by CY31P, reflecting a robust CAGR of 34 to 38%, supported by improving battery technology, expanding charging infrastructure, and growing government support for electric mobility.

The transition is expected to be even more pronounced in the scooter segment, where EV penetration is forecast to rise from 11.0% in CY25 to 32.5 to 34.5% by CY31P. Scooters are particularly well-suited for electrification due to their urban usage patterns, shorter travel distances, and lower operating costs. Overall, while ICE vehicles are expected to remain dominant through the forecast period, the rapid growth in EV penetration highlights the industry's accelerating shift toward cleaner and more sustainable mobility solutions.

Outlook of global two-wheelers industry by geography (2024 to 2031)

United States

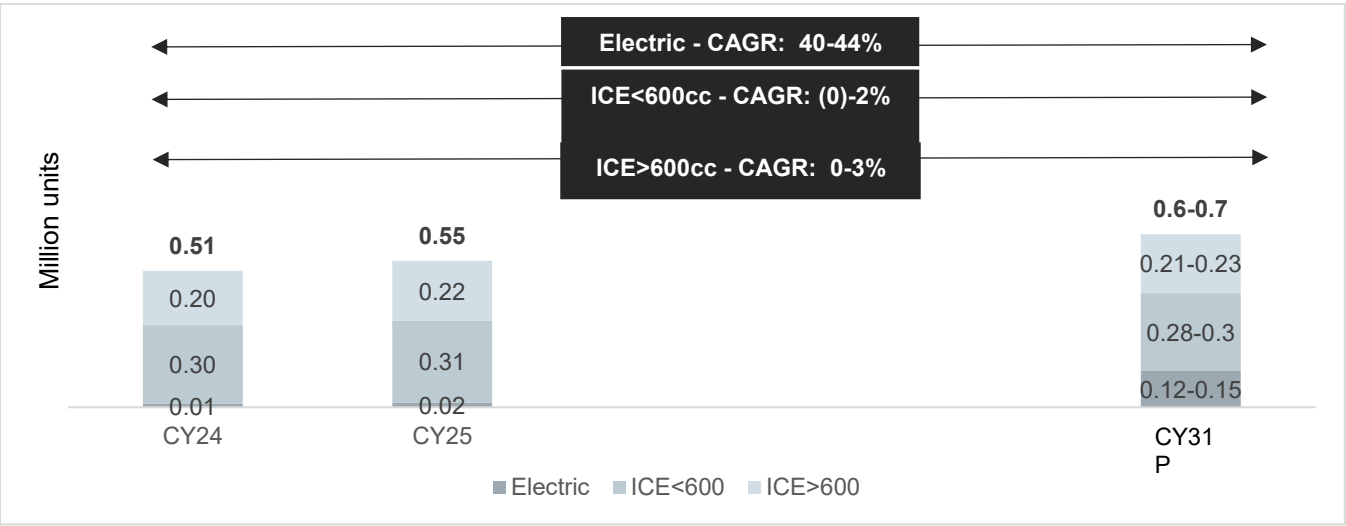
Outlook of two-wheeler sales volumes in the US by vehicle type



Source: Mordor Intelligence, CRISIL Intelligence

Two-wheeler volumes in the US are anticipated to clock a CAGR of 2 to 5% between CY24 and CY31, reaching 0.65 to 0.75 million units in CY31 from 0.53 million units in CY24. Factors such as congestion in major cities, popularity of adventure touring and evolution of electric alternatives shall remain the key drivers for the two-wheeler industry in the US.

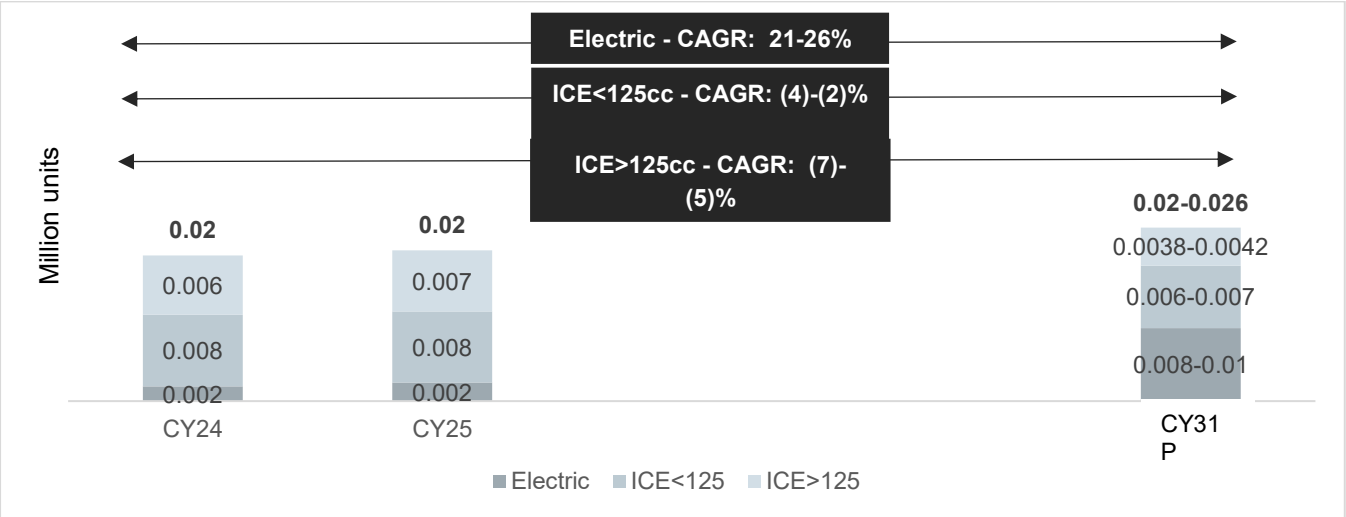
Outlook of motorcycles sales volumes in the US by displacement type



Source: Mordor Intelligence, CRISIL Intelligence

Electric motorcyles, though lower in volumes, are expected to clock a CAGR of 40 to 44% between 2024 and 2031, followed by growth in the premium motorcycles segment (>600 cc), which logged a CAGR of 0 to 3% during the period. Motorcycles with smaller engines (<600 cc) shall remain stagnant in terms of volumes for the next five years with sales hovering at 0.28 to 0.3 million units.

Outlook of scooter sales volumes in the US by displacement type

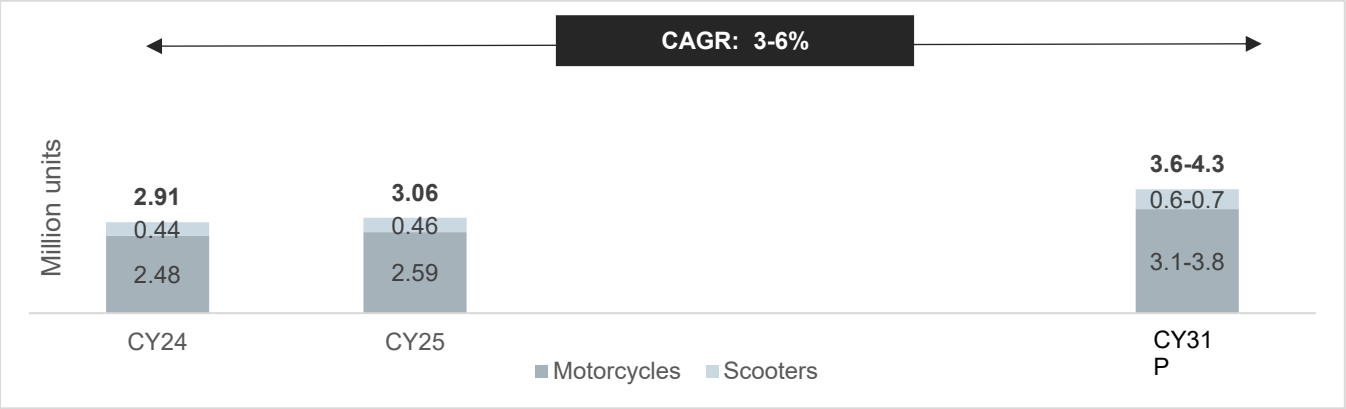


Source: Mordor Intelligence, CRISIL Intelligence

Scooter volumes in the US are anticipated to clock a CAGR of 1 to 4% between CY24 and CY31 with electric scooters dominating in terms of growth, logging a CAGR of 21 to 26% in the same period with volumes reaching 0.008 to 0.01 million units. Higher cc scooters are anticipated to witness degrowth in terms of volume during the period. However, lower cc scooters will see a decline of (4) to (2)% in the same period taking the volume to 0.006 to 0.007 million units.

Europe

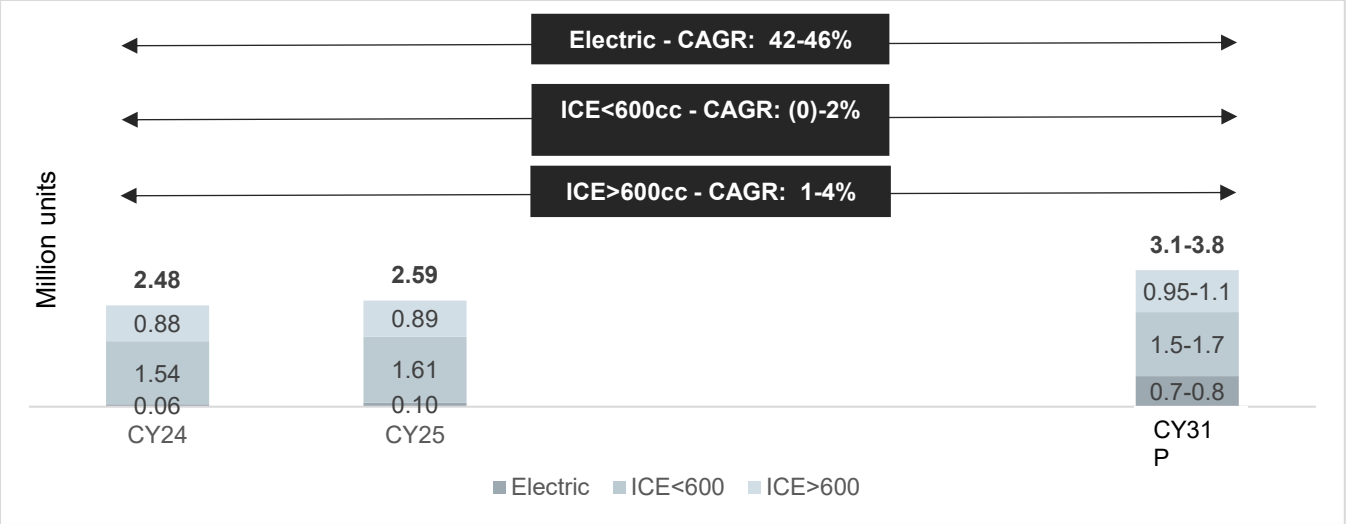
Outlook of two-wheeler sales volumes in Europe by vehicle type



Source: Mordor Intelligence, CRISIL Intelligence

The two-wheeler industry in Europe is anticipated to log a CAGR of 3 to 6% between CY24 and CY31, with motorcycles clocking a CAGR of 3 to 7% and scooters registering a CAGR of 4 to 7% for the same forecast period. The two-wheelers segment, including electric scooters and motorcycles, is gaining popularity owing to its agility and eco-friendliness. Manufacturers who cater to the varied needs of European riders, offering a range of choices in size, power, environmental impact and affordability, will be the ones leading the pack. Sustainability and innovation will hold the key to growth going ahead, with electric options likely gaining significant ground alongside established motorcycles.

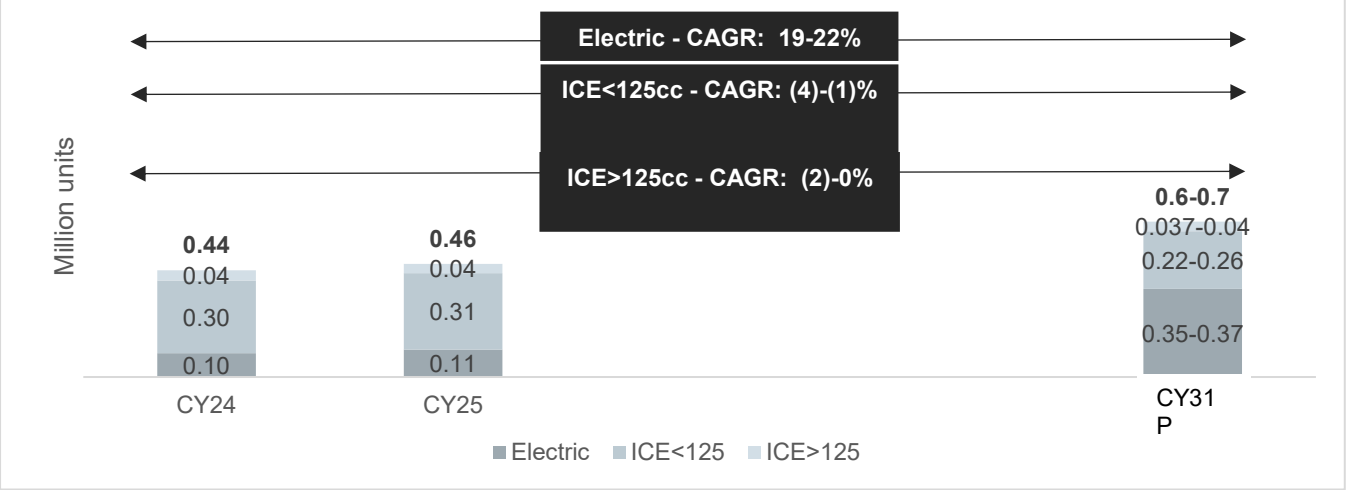
Outlook of motorcycles sales volumes in Europe by displacement type



Source: Mordor Intelligence, CRISIL Intelligence

The motorcycles industry in Europe is expected to post a CAGR of 3 to 7% between CY24 and CY31 with electric alternatives dominating growth at a CAGR of 42 to 46% during the period. Volumes of electric motorcycles are anticipated to reach 0.7 to 0.8 million units. Higher cc motorcycles will witness a modest growth of 1 to 4% during the period as the European market observes an increasing trend in premium and luxury purchases. Lower cc motorcycles shall witness a growth at (0) to 2% during the period.

Outlook of scooter sales volumes in Europe by displacement type

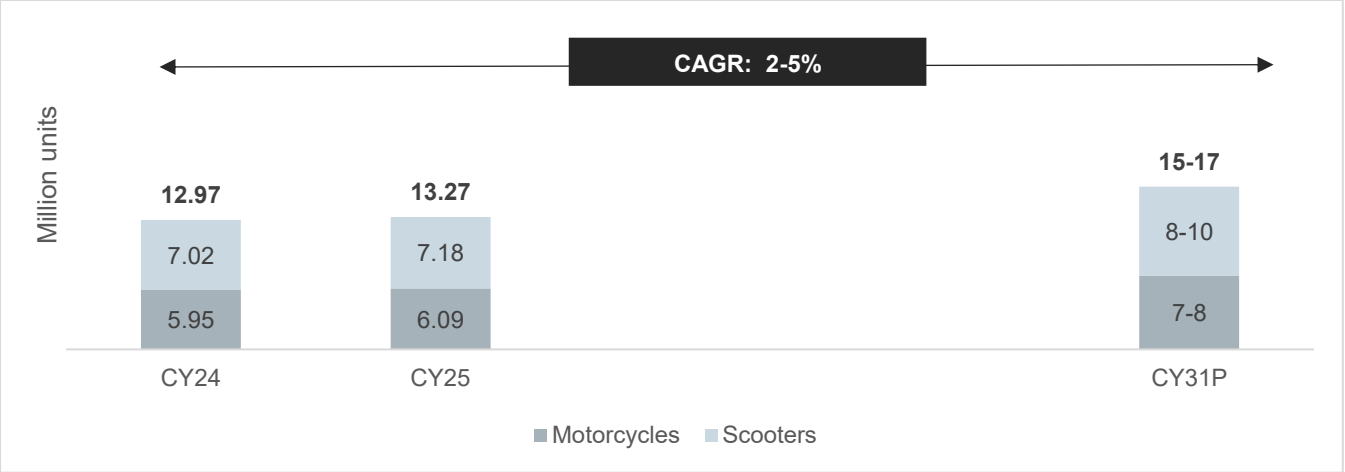


Source: Mordor Intelligence, CRISIL Intelligence

European scooter sales will likely log a CAGR of 4 to 7% during CY24 to CY31, mainly led by growth in the electric scooters segment. E-scooters will witness a growth of 19 to 22% with volumes reaching 0.35 to 0.37 million units in CY31, approximately 3x of where the industry stands in CY24. ICE alternatives shall see a decline in the coming years as electric evolution in the scooters segment takes charge.

ASEAN

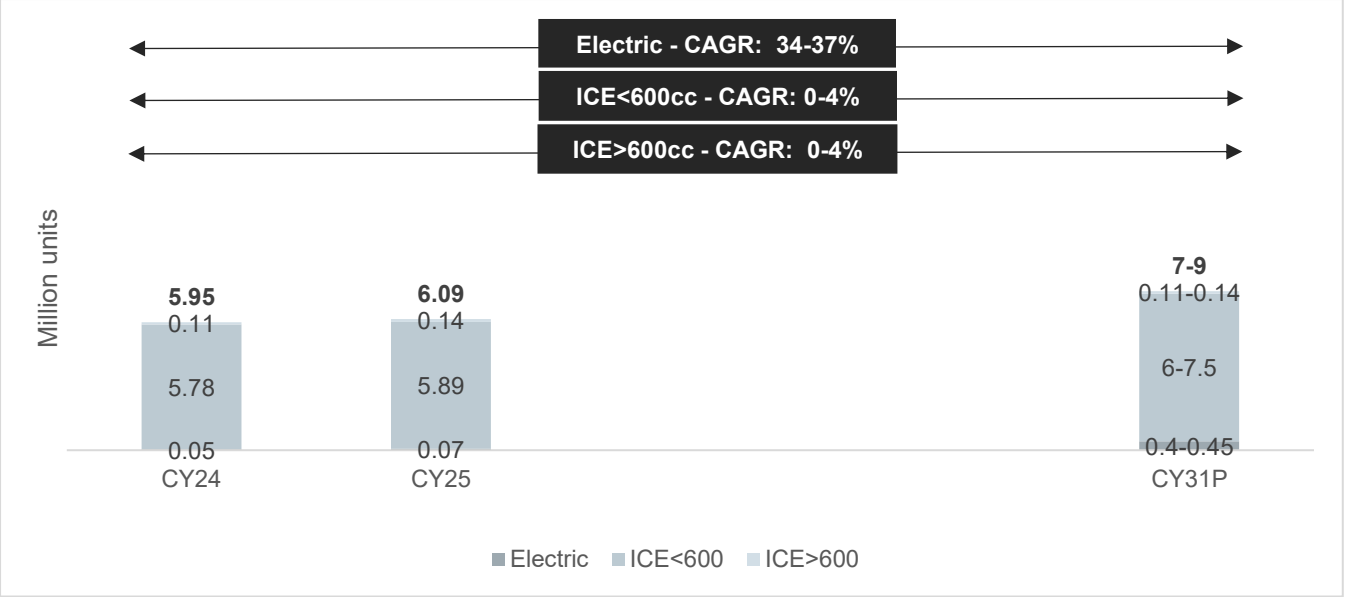
Outlook of two-wheeler sales volumes in ASEAN by vehicle type



Source: Mordor Intelligence, CRISIL Intelligence

The two-wheeler market in the ASEAN region is likely to clock a CAGR of 2 to 5% during CY24 to CY31 with the scooters segment holding the majority share (~54%) in CY25. Scooters shall continue to dominate two-wheeler markets in the ASEAN region as congestion in cities, tourist preferences for two-wheeler commute and cultural acceptance of the two-wheeler as a family vehicle shall remain key drivers for the industry.

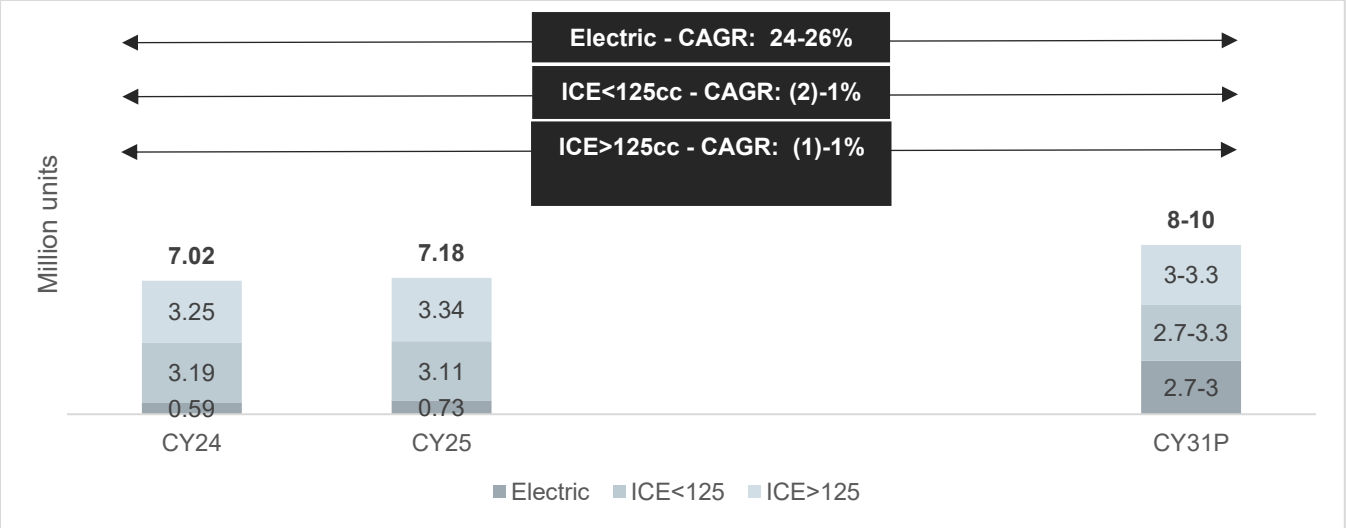
Outlook of motorcycles sales volumes in ASEAN by displacement type



Source: Mordor Intelligence, CRISIL Intelligence

Affordability and limitations in tech advancements (compared to scooters) shall keep the demand for electric motorcycles under certain limits. ICE alternatives shall log a CAGR of 0 to 4% during the period with the <600 cc segment dominating volumes.

Outlook of scooters sales volumes in ASEAN by displacement type



Source: Mordor Intelligence, CRISIL Intelligence

The scooters segment in the ASEAN region will clock a CAGR of 1 to 5% during CY24 to CY31 with e-scooters dominating the segment in terms of growth. E-scooters shall grow at a CAGR of 24 to 26% during the period. Factors such as feature-rich scooters, affordable options and government support have been keeping demand for electric scooters on a roll. ICE alternatives shall continue to remain dominant in the market in terms of volumes owing to their established legacy and increasing affordability over the time. However, their growth shall remain stagnant with higher and lower cc scooters both logging a CAGR of (1) to 1% and (2) to 1% resp. during the period.

Review and Outlook of the Indian Automobile Industry

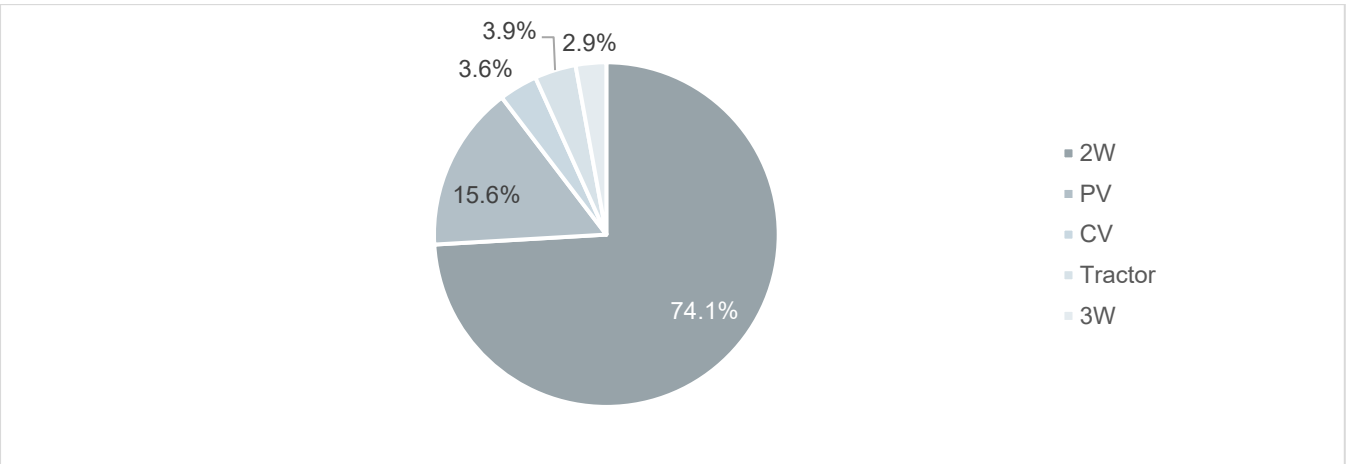
Indian two-wheeler industry

Review of Indian two-wheeler industry (fiscals 2022 to 2026)

Historic production development (Fiscal 22 to Fiscal 26)

The country's automobile industry is primarily comprised of five key segments: two-wheelers (2W), passenger vehicles (PV), commercial vehicles (CV), three-wheelers (3W), and tractors. During fiscal 2026, with a significant lead, two-wheelers emerged as the largest segment, accounting for 74.1% of the total auto industry by volume. Passenger vehicles followed, contributing 15.6% to the market share, while three-wheelers make up a smaller but notable 2.9% of vehicle sales in fiscal 2026.

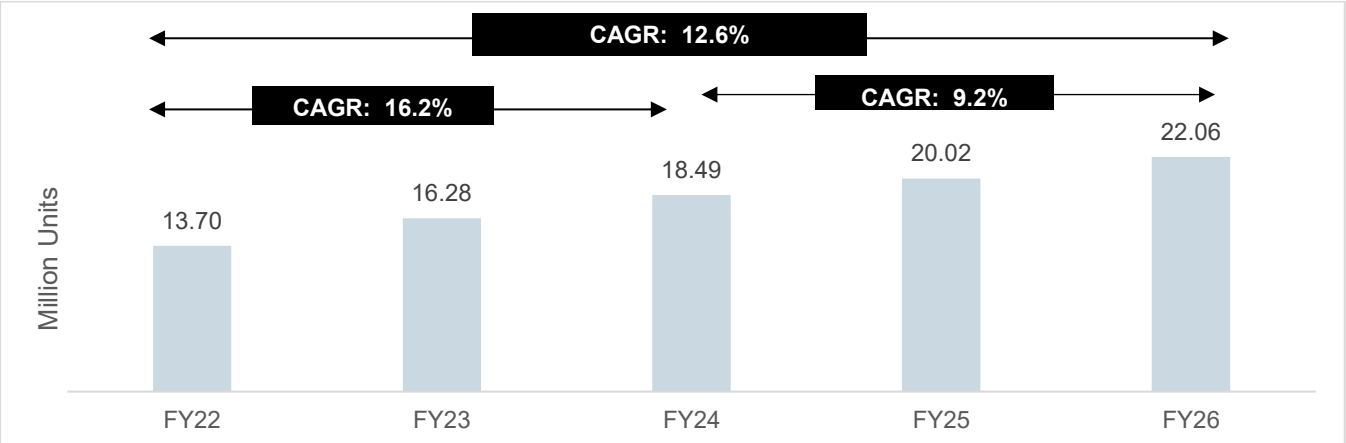
Segment wise split of the Indian Automobile market by volumes (fiscal 2026)



Source: SIAM, VAHAN, Crisil Intelligence

Two-wheelers industry sees a healthy demand in India and are preferred over four wheelers by a notable share of the Indian population especially for their regular commute. This is primarily due to the lower acquisition cost, higher mileage, lower maintenance costs, ease of navigation, especially during the traffic hours, hassle free parking, and suitability of two-wheelers on rugged roads.

Domestic two-wheeler sales volume trend — fiscals 2022 to fiscal 2026



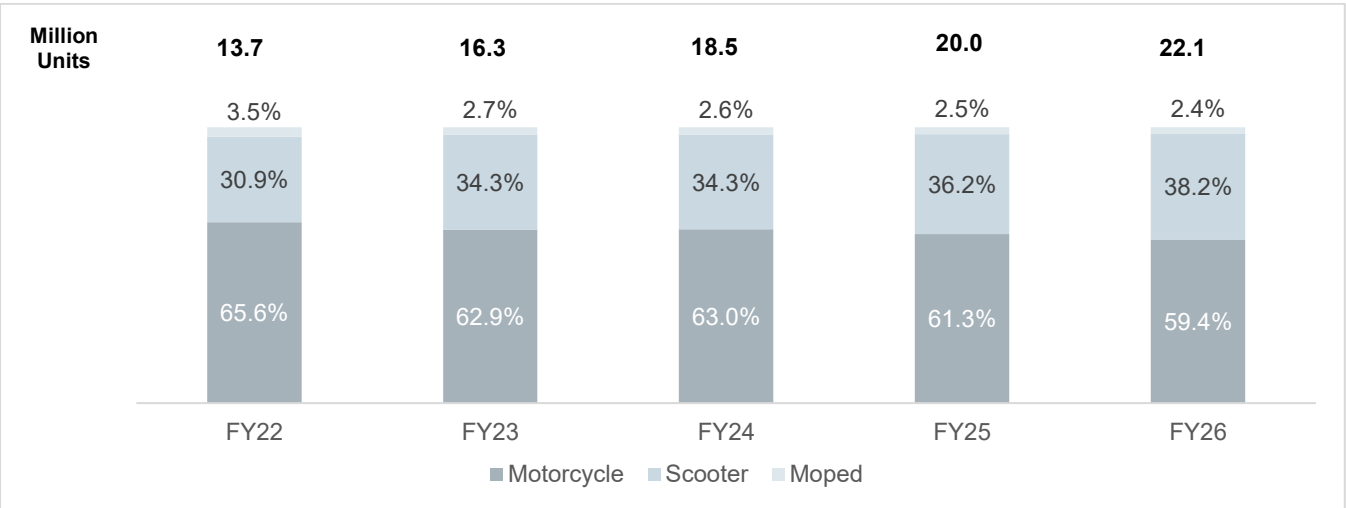
Source: SIAM, VAHAN, Crisil Intelligence

Following the pandemic-induced slowdown in fiscal 2022, India's two-wheeler industry rebounded strongly in fiscal 2023, recording an 18.7% growth driven by improving consumer sentiment, normalization of economic activities, increased mobility, and pent-up demand. The reopening of colleges and offices boosted scooter demand, while the need for last-mile mobility remained strong despite the restoration of public transport services. Rapid growth in electric vehicle sales further supported overall industry performance. Building on this momentum, the two-wheeler market expanded at a CAGR of 16.2% between fiscal 2022 and fiscal 2026, aided by an improving macroeconomic environment, stronger rural demand, and sustained preference for motorcycles with engine capacities of 125cc and above, along with scooters. In fiscal 2025, industry sales reached 20 million units, reflecting an 8.4% year-on-year increase, while retail sales grew by 7.7%.

Fiscal 2026 recorded sales of 22.1 million units, supported by GST cuts in September 2025 along with continued rural market momentum with improved rural productivity, diversification towards horticultural crops, government income support schemes and structural measures taken by the government such as PM-KISAN, eNAM, Pradhan Mantri Fasal Bima Yojna (PMFBY) to name a few, aided rural income.

Split by 2-wheeler segments (Motorcycles, Scooter and Mopeds)

Domestic two-wheeler sales segmental trend — fiscals 2022 to fiscal 2026



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, Crisil Intelligence

CAGR for Domestic two-wheeler sales segmental trend — fiscals 2022 to 2026

Year-on-year growth	Motorcycle	Scooter	Moped
Fiscal 22 to 26 CAGR	9.9%	18.8%	3%

Note: Data includes ICE and EVs; EV retail data from VAHAN have been considered.
Source: SIAM, VAHAN, CRISIL Intelligence

Scooters

In the last 5 years, scooters witnessed gradual expansion, and their share increased from 30.9% in fiscal 2022 to 38.2% in fiscal 2026. The strong demand for new model launches (like the Hero Destini 110, Jupiter 113, upgraded Jupiter/Activa, Access, Dio 125, and Ntorq), increasing usage of scooters by working professionals, especially women in urban areas (due to high

convenience) and a growing preference as a second vehicle in households coupled with sharp rise in EV sales supported the expansion in scooter share.

Earlier, the scooter was positioned primarily as an urban vehicle. However, they are being increasingly accepted in rural areas with increasing road penetration and utility purposes.

Thus, the overall scooters segment during fiscals 2022 to 2026 registered 18.8% CAGR vis a vis 9.9% CAGR for motorcycles and 3% CAGR for mopeds.

During the pandemic, reduced need for mobility due to lockdowns, closure of schools/ colleges and offices impacted the scooter demand significantly. Sales of scooters (ICE+ EV) witnessed a sharp drop of 19% in fiscal 2021 and a further drop of 6% in fiscal 2022. However, scooter sales rebounded in fiscal 2023 led by reopening of offices, schools & colleges. Pent up demand from the last two years provided a boost to scooter sales. Moreover, the increased retails of e-scooters provided an additional boost to the scooter sales during the year. Scooters segment grew at a faster pace of 32% year-on-year compared to 14% growth witnessed in motorcycles, thus backing the share expansion of scooters during the fiscal 2023.

During fiscal 2024, both motorcycles and scooters increased at a healthy pace of around 14% keeping the share near steady. Growth pace of scooters normalised in fiscal 2024, from the increased pace seen in fiscal 2023.

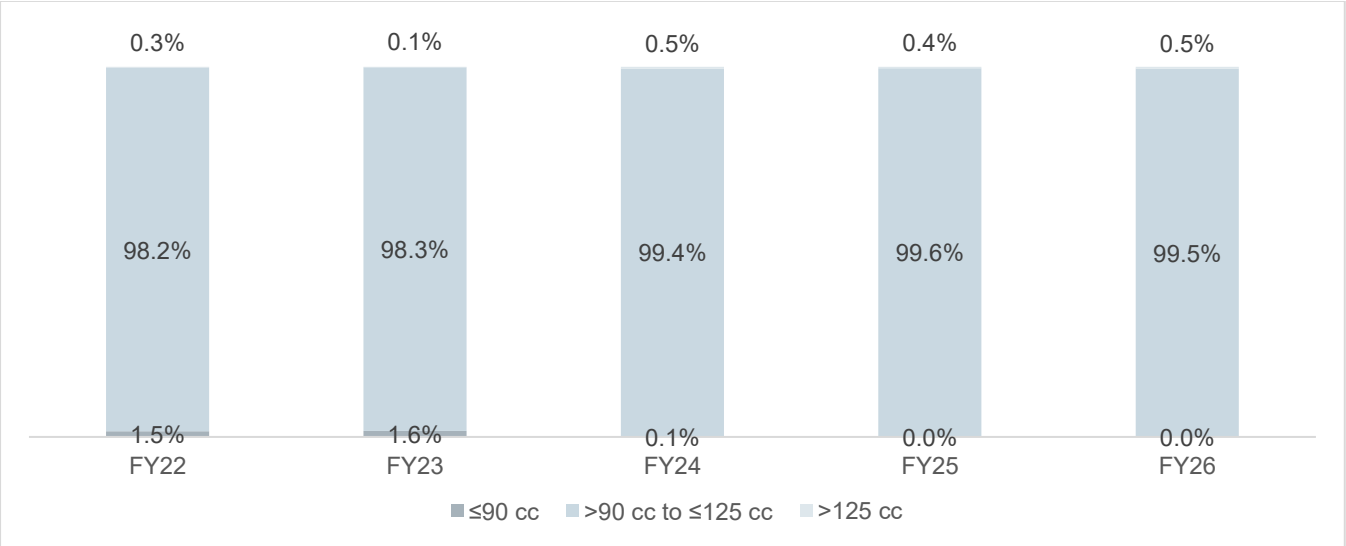
In fiscal 2025 the share of scooters increased to 36% from 34% during the same period last year, driven by the added push for scooters across OEMs, new variants like Jupiter 113 getting traction from customers. With continued increase in women participation in the workforce, the demand for scooters has been on the rise.

In fiscal 2026 the share of scooters increased to 38% from 36% during the same period last year. This upward trend can be attributed to several other factors, including the rising participation of women in the workforce and a growing preference for automatic transmission vehicles. Notably, even in semi-urban and rural areas, where traditional gender roles are more pronounced, women are increasingly taking to scooters as a mode of transportation. The launch of scooter models that cater to the needs and preferences of this demographic, with a focus on aesthetics and utility, has also contributed to the segment's growth. Additionally, improvements in rural road infrastructure and the introduction of a wide range of models have helped bridge the price gap, making scooters more accessible to a broader audience.

Within the scooters segment, e-scooters witnessed growth at an accelerated pace and contributed a sizeable share of 16 to 17% to overall scooter sales in fiscal 2026. Launch of new models, government incentives, rising awareness, increased acquisition & operating costs for the ICE equivalents provided a boost to the EV sales during the fiscal 2021 to 2026 period. E-scooters clocked growth at 101% CAGR in the last 5 years and their penetration within the scooters segment rose from 1.0% in fiscal 2021 to 16 to 17% in fiscal 2026.

On the other hand, the ICE scooter segment witnessed relatively slower growth amidst the increased vehicle prices (due to BS VI emission norms compliance), higher operating costs (fuel price hike), increased interest outgo as well as increased competition from EVs. During fiscal 2022 to fiscal 2026 period, ICE scooter sales grew at 9.8% CAGR.

ICE scooters domestic sales split — fiscals 2022 fiscal 2026



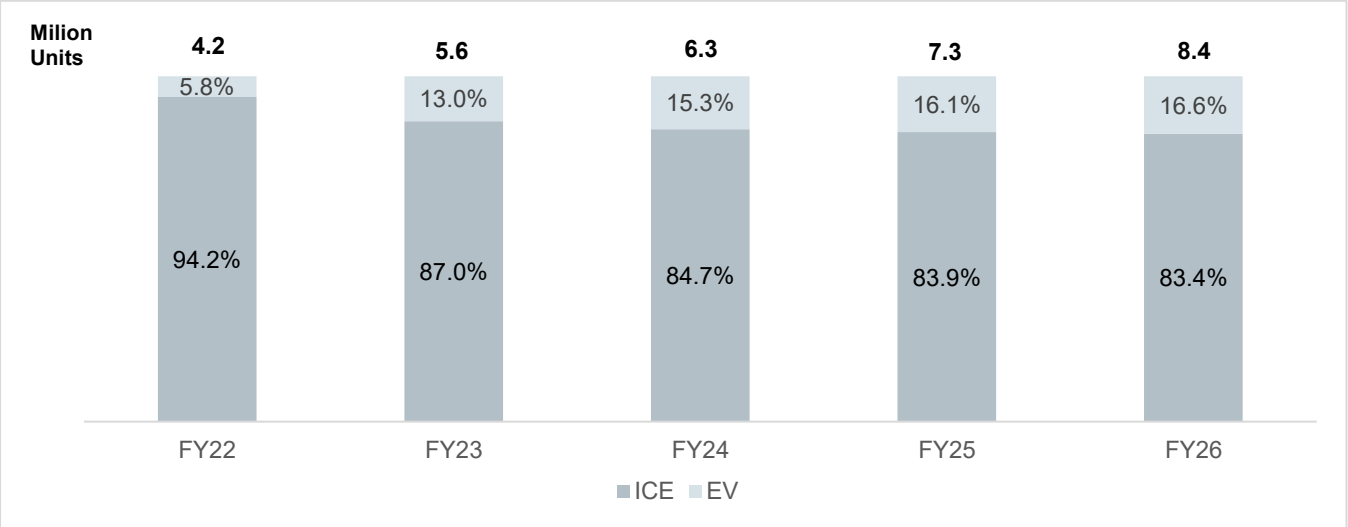
Source: SIAM, Crisil Intelligence

Within ICE scooters, majority of the market by volumes fell under the >90cc and <=125cc subsegment, consistently since fiscal 2021, with over 99.5% of the volumes in fiscal 2026. The <=90cc subsegment which had a 2% volume share in fiscal 2021, reduced to a CAGR of 48% and has dropped to 0.0% volume share in fiscal 2026. This subsegment has seen only one model, the TVS Pep+, in this period, whose sales have declined over the years as customers are now preferring higher cc scooters, increasing adoption of electric two-wheelers and rising fuel and maintenance costs.

Basis Crisil Intelligence's estimates and market understanding, there has also been a lot of shifting within the >90cc and <=125cc subsegment in terms of customers purchasing higher cc scooters. The 110 cc scooters held almost 64% share in fiscal 2021. However, their volumes have seen a sharp decline in recent times. The customer base for these scooters is relatively price conscious. Increased ownership and operating costs as well as reduced usage requirements during the pandemic years led to significant postponement of purchase from this customer base. Additionally, the shift towards higher cc ICE scooters (=>125cc) as well as EVs exacerbated the situation for this subsegment. As per Crisil Intelligence's estimates, the share of 110 cc scooters within the ICE scooter segment slid from 64% in fiscal 2021 to 51 to 54% in fiscal 2026.

Conversely, the 125cc scooter volumes have grown significantly during the period, albeit from a smaller base. A relatively price agnostic customer base, feature-rich vehicles and young buyers that prefer high performance and advanced features have led to a premiumization trend in scooters causing OEM to increase focus with multiple vehicle launches in this subsegment, which has in turn has aided the growth. The share of 125cc scooters within the ICE scooter segment rose from 36% in fiscal 2021 to 46 to 49% by fiscal 2026.

ICE vs EV split within domestic scooter sales — fiscals 2022 to 2026



Note: EV retail data from VAHAN have been considered.
Source: SIAM, VAHAN, CRISIL Intelligence

Within the scooter segment, EV scooters witnessed growth at an accelerated pace and contributed a sizeable share of 16.6% to the overall scooter sales in fiscal 2026. The launch of new models, government incentives, rising awareness, increased acquisition and operating costs of the ICE equivalents gave a boost to the EV sales during fiscal 2021 to 2026. The EV scooters clocked a CAGR of 15.2% in the past four years, and their penetration within the scooter segment rose from 5.8% in fiscal 2022 to 16.6% in fiscal 2026.

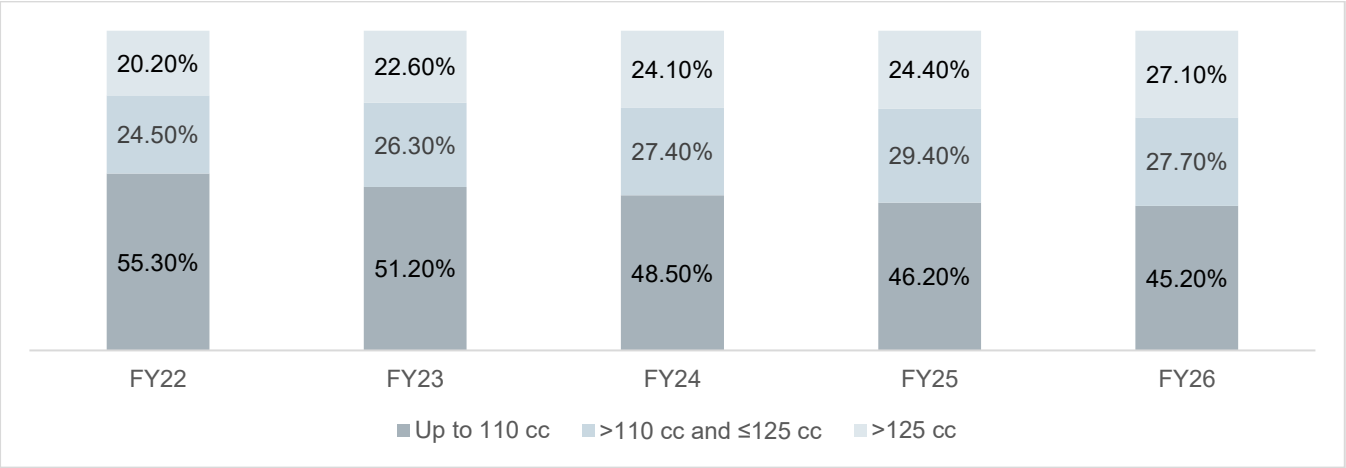
Motorcycles

In the overall domestic sales, motorcycles have maintained their leading position in the last 5 years, however, they lost some ground to scooters during the period. During the pandemic period of fiscal 2021 and fiscal 2022, amidst the lack of availability of public transportation, requirement of motorcycles continued especially for daily commute, thereby restricting their drop.

During the pandemic, availability of public transportation was limited and shared mobility options including office buses and taxis were also restricted, making personal vehicles including motorcycles the primary option for daily commute, especially for the blue-collar workers, essential services employees and rural customer base. Whereas most white-collar workers were utilizing the work from home option or their four wheelers during the period, limiting the requirement of two wheelers during that period. This led to a moderate market share expansion of motorcycles during fiscal 2021. Post pandemic, improving mobility and gradual rise in scooters demand caused the share of motorcycles to contract in the next 5 fiscals and reach 59.4% by fiscal 2026 from 66.1% in fiscal 2021.

Notably, the electric vehicle (EV) contribution within the motorcycle segment has been negligible, primarily due to the limited availability of EV options. Although manufacturers like Revolt, Tork, and Ultraviolette introduced EV motorcycles, and more recently, Ola, Royal Enfield launched its electric motorcycle, the adoption of EVs has been gradual. The motorcycle category has seen limited EV options, and concerns regarding range anxiety and higher acquisition costs have hindered widespread adoption. As a result, EVs are estimated to account for less than 1% of overall motorcycle sales by fiscal 2026, with ICE variants continuing to dominate the market.

ICE motorcycles domestic sales split — fiscals 2022 to fiscal 2026



Source: SIAM, Crisil Intelligence

Within the ICE motorcycles segment, the 125 cc subsegment has witnessed 13.2% CAGR growth during fiscal 2022 to 2026 period while the <=110 cc subsegment has grown at a marginal pace of 4.2% CAGR. The >125cc subsegment has grown by 18.2% CAGR during this period.

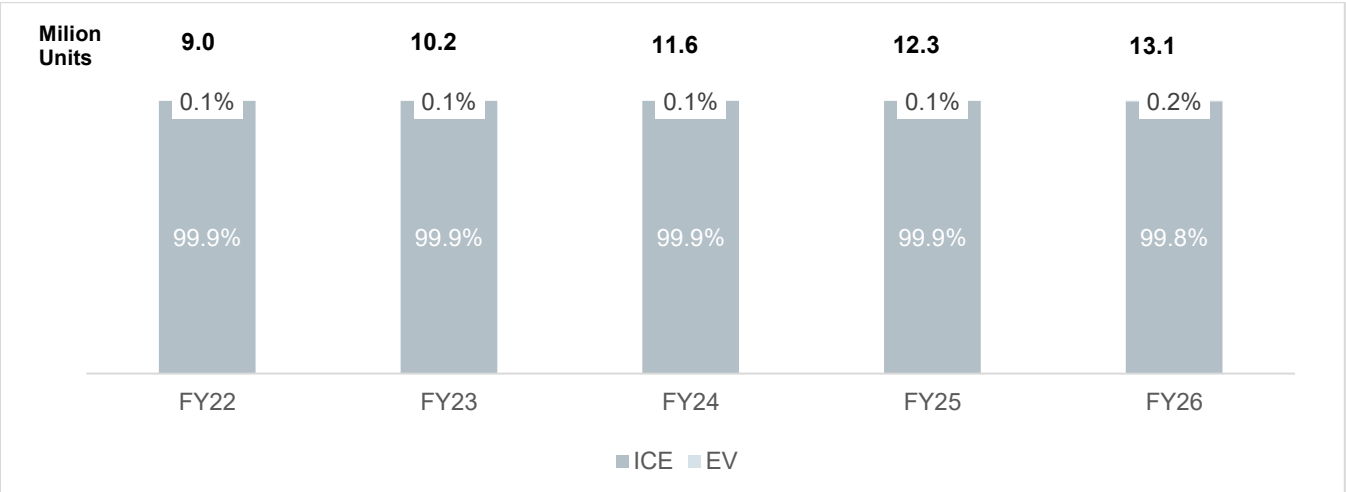
Within the ICE motorcycles segment, the 125cc and above (>110 and <=125cc and > 125 cc) subsegments together hold 54.8% of the market share by volume in fiscal 2026 as against 46.3% in fiscal 2021, thereby indicating a shift towards higher cc motorcycles.

The price sensitive <=110cc subsegment (53.8% share in fiscal 2021) has been under pressure amidst the sharp rise in vehicle prices due to emission and safety norms, increased insurance costs, hike in fuel prices, escalated interest costs coupled with pressure on incomes of this customer group especially during the pandemic. This subsegment has witnessed 3 years of consecutive contraction between fiscal 2020 to fiscal 2022 (16% CAGR drop till fiscal 2022).

On this lowered base, <=110cc motorcycles subsegment saw some growth during fiscals 2023 and 2024 aided by the pent-up demand and added support from OEMs in the form of discounts and other incentives. However, for the complete 5-year period (fiscals 2021 to 2026), the <=110cc subsegment witnessed marginal growth at 1.9% CAGR.

On the other hand, the 125cc and >125cc motorcycles subsegments together witnessed growth at 9.1% CAGR backed by the financially resilient customer base that was less impacted by the pandemic, higher OEM focus with increased vehicle launches, feature rich vehicle introductions and entry of global players like Harley Davidson, KTM, Triumph and Husqvarna with India focused models. High-performance tech enabled vehicles are seeing higher acceptance amongst the rising younger buyer base. Thus, the share of 125cc and >125cc motorcycles, within the ICE motorcycles segment, increased from 46.3% in fiscal 2021 to 54.8% in fiscal 2026.

ICE vs EV split within domestic motorcycles sales — fiscals 2022 to 2026



Note: EV retail data from VAHAN have been considered.
Source: SIAM, VAHAN, CRISIL Intelligence

Unlike scooters, EV penetration within motorcycles has remained insignificant due to a lack of EV options. A few OEMs, such as Revolt, offered EV motorcycles from Fiscal 2020. Manufacturers such as Tork, Ultraviolette, Ola also introduced their e-bikes/ motorcycles. However, given the limited vehicle options, even in the premium motorcycles category, higher acquisition costs, and larger range anxiety concern due to higher daily running for motorcycles; the adoption of EVs within

motorcycles was only gradual and reached only 0.2% of overall motorcycle sales by fiscal 2026. Moreover, the ICE variants continue to dominate motorcycle sales.

Segmental growth within the industry in the last 5 years

Segment	Fiscal 22 to Fiscal 26 CAGR	Fiscal 22 share	Fiscal 26 share
Motorcycles	**9.9%**	**65.5%**	**59.4%**
ICE	9.8%	65.6%	59.2%
EV	50.8	0.0%	0.1%
Scooters	**2.5%**	**30.9%**	**38.2%**
ICE	8.8%	29.1%	31.9%
EV	15.2%	1.8%	6.4%
Mopeds	**2.5 %**	**3.5%**	**2.4%**
Total	**12.6%**	**100%**	**100%**

Note: Figures in bracket to be read as negative (E.g. (10) to be read as minus 10), EV retail data from VAHAN has been considered.
Source: SIAM, Crisil Intelligence

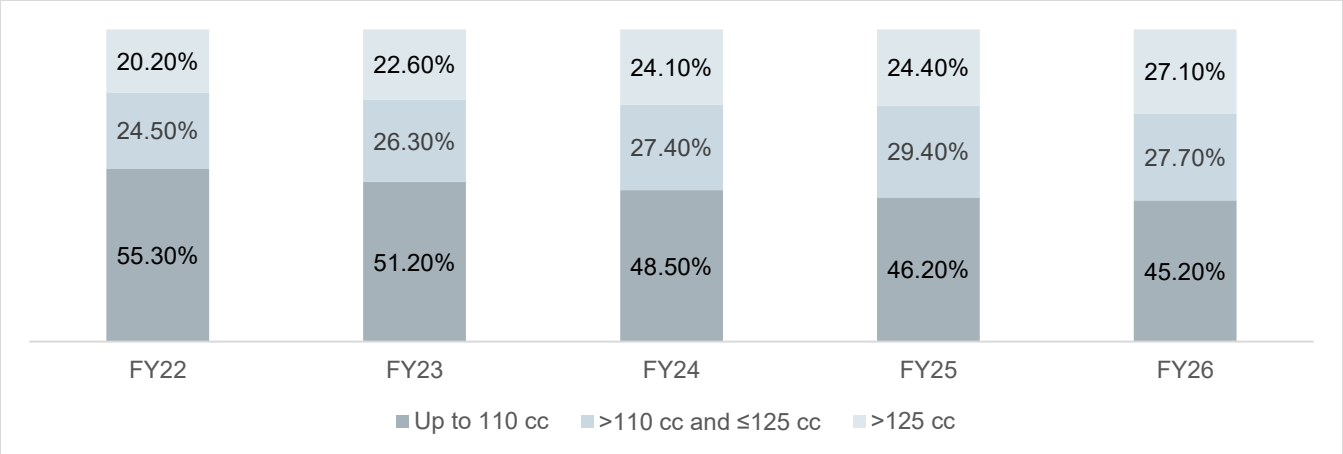
Premiumisation in the industry

A clear shift towards premium vehicles is visible in the two-wheeler industry. Customers are looking to upgrade to the next premium vehicle segment in both motorcycle and scooter segments. The premiumisation trend is supported by various factors such as younger profile of buyers, attractive feature-rich new vehicle launches at competitive rates, vehicles being seen as an extension of a customer's personality, easier access to finance and more launches in the premium segment.

The share of motorcycles with engine capacities above 125 cc increased from 22.1% in Fiscal 2021 to 27.1% in Fiscal 2026, while the >110 cc and ≤125 cc segment expanded from 24.2% to 27.7% over the same period. Consequently, the combined share of motorcycles with engine capacities above 110 cc increased from 46.3% in Fiscal 2021 to 54.8% in Fiscal 2026. In comparison, the share of motorcycles with engine capacities up to 110 cc declined from 53.8% to 45.2%, although it remained the single largest category throughout the period.

The domestic ICE motorcycle market has witnessed a gradual change in its sales mix over the past six fiscal years, with higher engine capacity motorcycles accounting for an increasing share of industry volumes.

ICE motorcycles domestic sales split — fiscals 2022 to fiscal 2026



Source: SIAM, Crisil Intelligence

The evolving sales mix reflects a gradual increase in the contribution of mid- and higher-engine capacity motorcycles within the domestic market. On the demand side, rising disposable incomes among certain consumer segments, increasing preference for feature-rich and performance-oriented motorcycles, and evolving consumer aspirations have supported demand for higher engine capacity models. On the supply side, manufacturers have expanded their product portfolios across premium commuter, sports, adventure and touring motorcycle categories, providing consumers with a broader range of offerings across price points.

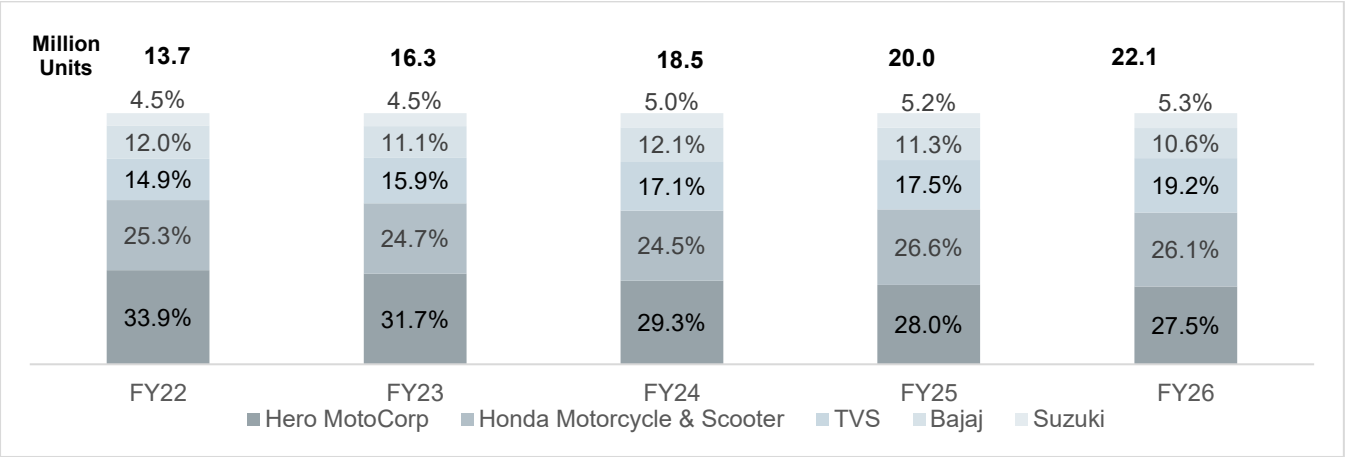
Production split by OEMs Production split by OEMs

India's Two-wheeler industry has traditionally been a market with only few major players, wherein the top 4 players have contributed to more than 80% of the annual sales.

Hero MotoCorp (HMCL) continues to lead the market, although HMCL's contribution has declined from 36.9% in fiscal 2021 to 27.5% in fiscal 2026. The increased traction for scooters, including e-scooters as well as premium motorcycles, coupled with pressure on commuter motorcycles sales — where HMCL dominates, have impacted its share.

The second largest contributor, Honda Motorcycle & Scooter (HMSI), gained some ground during fiscal 2025, but lost minor share in fiscal 2026.

OEM wise contribution to overall two-wheeler domestic sales — fiscals 2021 to fiscal 2026

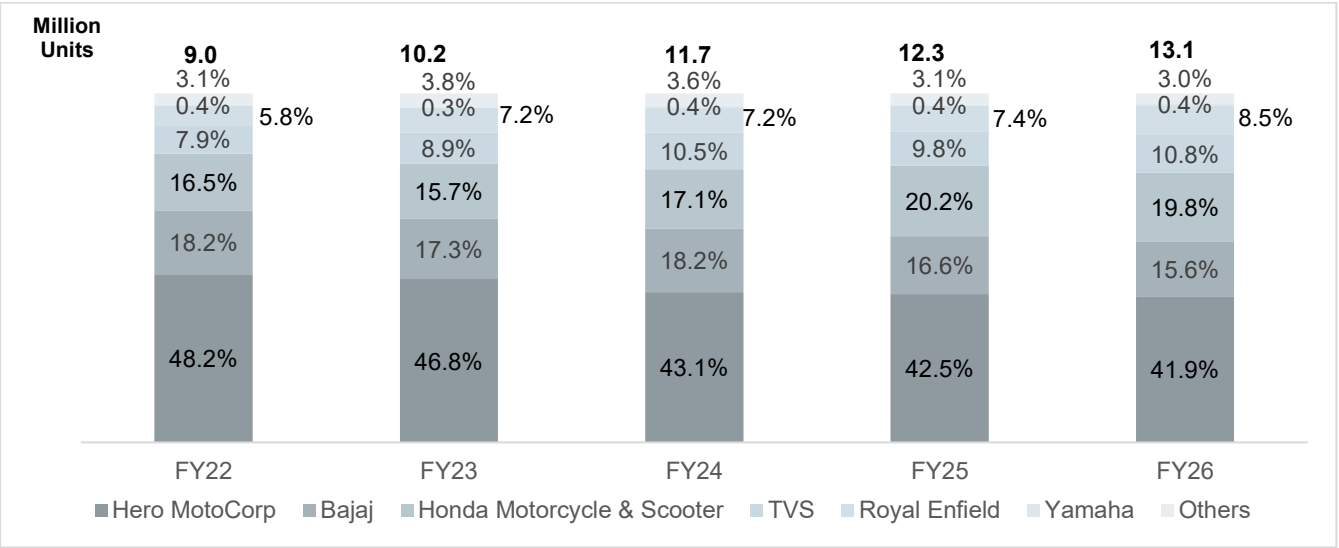


Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, Crisil Intelligence

With the continued traction for its >=125cc motorcycles and scooters- especially Jupiter, coupled with rising adoption of its e-scooter model iQube, TVS has gained ground in the market during the period. Bajaj's share has dropped in last 5 years from 11.9% in fiscal 2021 to 10.6% in fiscal 2026. Rising sales of 125cc scooters backed Suzuki's share expansion while multitude of launches in the growing >=125cc motorcycles segment led to share expansion for Royal Enfield.

Relatively recent entrants like Ola and Ather have also grabbed notable share led by the rising electrification within the domestic two-wheeler market. As of fiscal 2026, Ola & Ather contributed 0.7% and 1.1% respectively to two-wheeler annual domestic sales.

OEM wise contribution to Domestic Motorcycles sales — fiscals 2022 to fiscal 2026



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, Crisil Intelligence

The Indian Internal Combustion Engine (ICE) motorcycle market witnessed a shift in dynamics, with Hero MotoCorp maintaining its leadership position, albeit with a decline in market share from 51.5% in fiscal 2021 to 41.9% in fiscal 2026. The company's strategic product refreshes, including the introduction of new models such as Karizma XMR, Xtreme 125, and Xpulse 200, Xpulse 210 enabled it to re-enter the premium market and appeal to a wider customer base. Additionally, its popular commuter bikes, including Splendor+ and HF Deluxe, continued to dominate rural and semi-urban markets, solidifying its position in the entry-level segment.

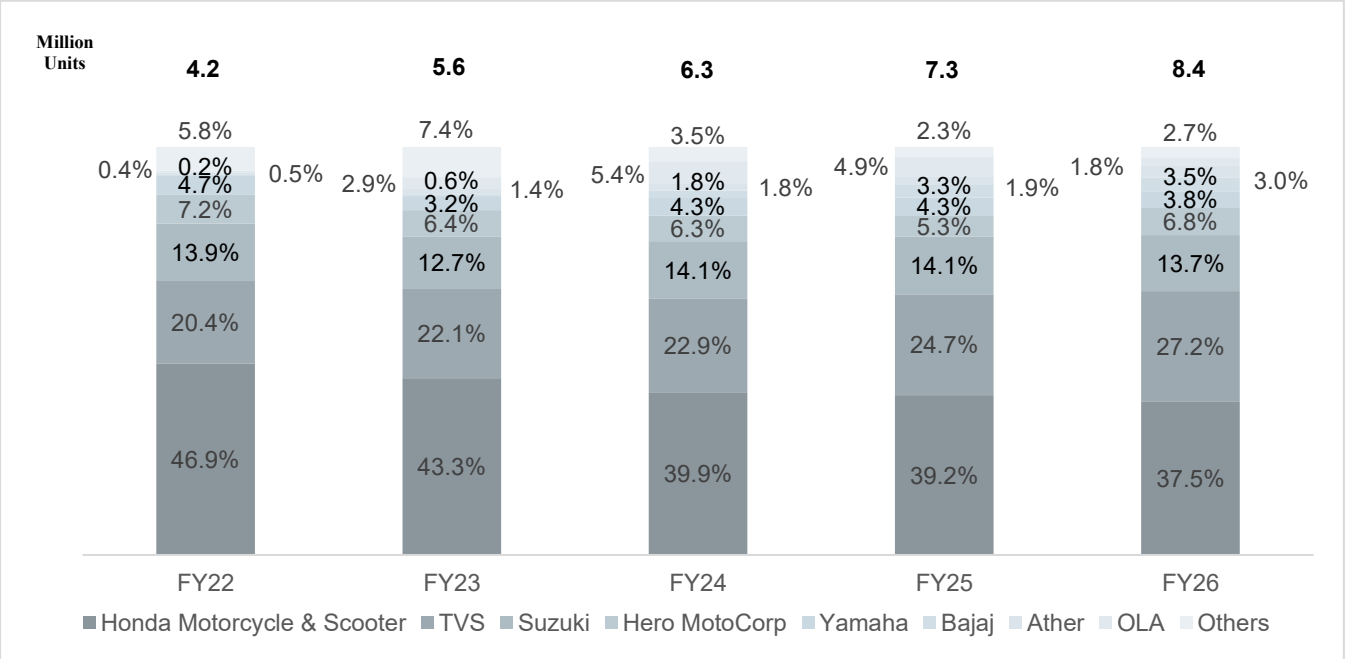
Bajaj Auto, however, faced intense competition, leading to a decline in its market share. Despite this, the company's refreshed Pulsar line-up, featuring new variants such as Freedom 125, Pulsar variants received a positive response from urban and semi-urban customers, helping to mitigate the decline.

Honda Motorcycle and Scooter India (HMSI) made significant gains, increasing its market share from 15.4% in fiscal 2021 to 19.8% in fiscal 2026. The company's successful models, including Shine, SP, SP160, Hornet 2.0, helped it gain traction in the commuter and mid-premium segments, appealing to young riders and urban commuters with its focus on premium styling, performance, and wider availability.

TVS Motors also experienced a notable surge in market share, rising from 6.3% in fiscal 2021 to 10.8% in fiscal 2026. The company's new premium motorcycles, including Apache RTR 160, Apache RTR 310, TVS Raider, and TVS Ronin, helped it gain traction in the youth and enthusiast segment with performance-oriented and lifestyle bikes.

Royal Enfield's market share rose to 8.5% in fiscal 2026, driven by the enduring popularity of its classic models, including Classic 350 and Bullet 350, as well as recent launches like Hunter 350, Shotgun 650, which appealed to urban youth and touring enthusiasts, strengthening the brand's lifestyle positioning and global presence.

OEM wise contribution to Domestic Scooters sales — fiscals 2022 to fiscal 2026



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, Crisil Intelligence

The ICE scooter segment is led by Honda Motorcycle and Scooter India (HMSI), with its iconic Activa model. Despite intensifying competition, the company has maintained its position, albeit with a slight erosion of market share. However, the increased demand for its higher-cc variants, such as the Activa 125 and Dio 125, has helped HMSI limit its share contraction.

TVS Motor Company has gained traction in the scooter segment, driven by the continued demand for its 110cc, 113cc and 125cc variants of its popular model, Jupiter. Increased traction for Ntorq also supported the scooter sales. This has enabled TVS to expand their share within the scooter segment.

Suzuki, on the other hand, has focused primarily on the 125cc scooter segment. The company's share expansion in this segment can be attributed to the premiumization trend within the industry.

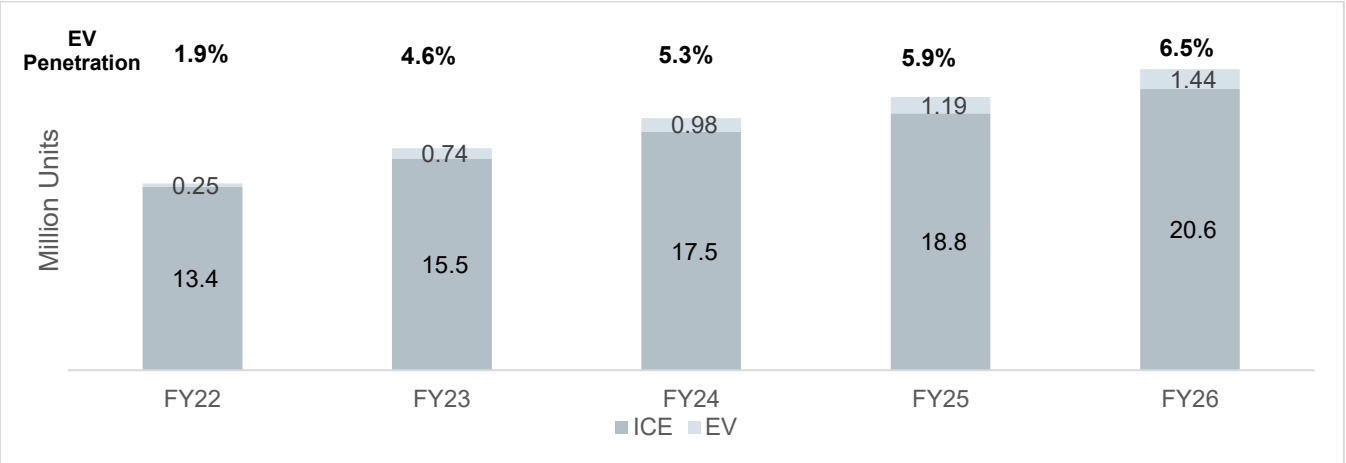
Yamaha has maintained a stable market share in the 3 to 5% range over the past five years, driven by continued demand for its RayZR series. The launch of the Aerox scooter range in fiscal 2024 helped Yamaha expand its presence and regain some lost ground, although its market share dropped slightly in fiscal 2026.

In the moped segment, TVS Motor Company is the sole player in the domestic market, with its popular model, the XL100.

Current EV penetration in two-wheelers

Over the years, there has been a significant advancement in vehicle technology. Various new features have been added in internal combustion engines (“ICE”) and electric vehicles (“EV”), making them more appealing to the customers, especially the younger buyers. The EV segment has revolutionised the industry in terms of latest technological designs and offerings and ICE vehicles are following with notable advancements. The new-age vehicles offer a wide range of features and innovations to ensure safer, more efficient and environmentally friendly transportation and that cater to varied consumer needs.

Domestic two-wheeler sales volume trend (ICE vs EV)



Source: SIAM, VAHAN, Crisil Intelligence

Year-on-year growth trend (ICE vs EV)

Year-on-year growth	Fiscal 22	Fiscal 23	Fiscal 24	Fiscal 25	Fiscal 26	Fiscal 21-26 CAGR
ICE	-11.1%	15.5%	12.7%	7.6%	9.5%	11.3%
EV	488.1%	192.7%	32.6%	20.8%	21.1%	54.4%

Source: SIAM, VAHAN, Crisil Intelligence

Over the last 5 years, the electrification within the industry has contributed significantly to growth in overall industry sales. In fiscal 2022, electric 2-wheelers achieved highest growth. The sharp rise in EV was driven by government push for EV adoption and increasing consumer interest in electric vehicles. Even during the years, when ICE vehicle sales slightly declined, the sharp rise in EV retails restricted the drop in the overall 2W sales volume.

During fiscal 2022 to 2026, ICE segment grew at a moderate 11.3% CAGR. However, EV retails grew with 54.4% CAGR for the same period. For fiscal 2026, EV penetration reached around 6.5% and EV volumes recorded 1.44 million units.

Segment wise domestic sales trend

Motorcycles dominate the domestic two-wheeler industry sales with more than 60% contribution to the annual domestic sales volumes. However, their contribution gradually contracted over the years, from 66.1% in fiscal 2021 to 59.4% by fiscal 2026. On the other hand, the scooters segment expanded its presence over the long-term horizon; from 29.8% in fiscal 2021 to 38.2% in fiscal 2026. The mopeds segment also lost some ground to scooters over the years, from 4.1% share in fiscal 2021 to 2.4% in fiscal 2026.

R&D support

The customer base of the two-wheeler industry has shifted towards the young, tech savvy gen Z customers, who prefer the latest state-of-the-art features, attractive designs and colours, connected technology and hi-tech accessories for their new vehicles. This customer base sees vehicles as an extension of their personality.

Moreover, as the replacement cycles have shortened, the intermittent new vehicle launches are a must to ensure continued demand.

Thus, all the OEMs spend a notable amount on research and development (R&D) to integrate the latest tech, design and features for the upcoming models. R&D has also become a necessity to analyse the safety of the two-wheeler riders.

Outlook of Indian two-wheeler industry (fiscals 2026 to 2031)

Production outlook (Fiscal 26 to Fiscal 31)

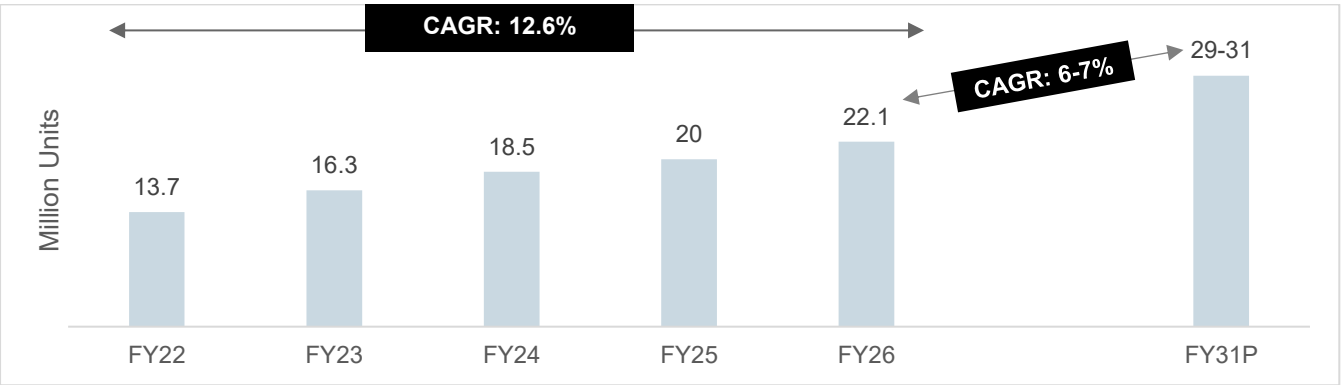
The industry is expected to continue its growth momentum over the long-term horizon led by the positive microeconomic and macroeconomic environment, favourable rural demand, premiumization, intermittent launches, shrinking replacement cycle and continued support from financers. Moreover, continued R&D investments by the OEMs and the technological advancements in the industry to provide added support to the growth of the industry over the long-term horizon.

Additionally, the fast-rising EV segment, with EV portfolio expansion by legacy players, capacity expansion by new age players will accelerate industry growth. Entry of Legacy players like HMSI, Suzuki, Yamaha and Royal Enfield in the EV space will provide further thrust to the segment growth.

Introduction of CNG powertrain motorcycle by Bajaj and TVS also announced CNG scooter, which will offer lower operating costs compared to petrol variants, will push the two-wheeler industry further growth.

Led by these positive industry drivers, the two-wheeler industry sales are projected to grow at 6 to 7% CAGR and reach volumes of 29 to 31 million by fiscal 2031.

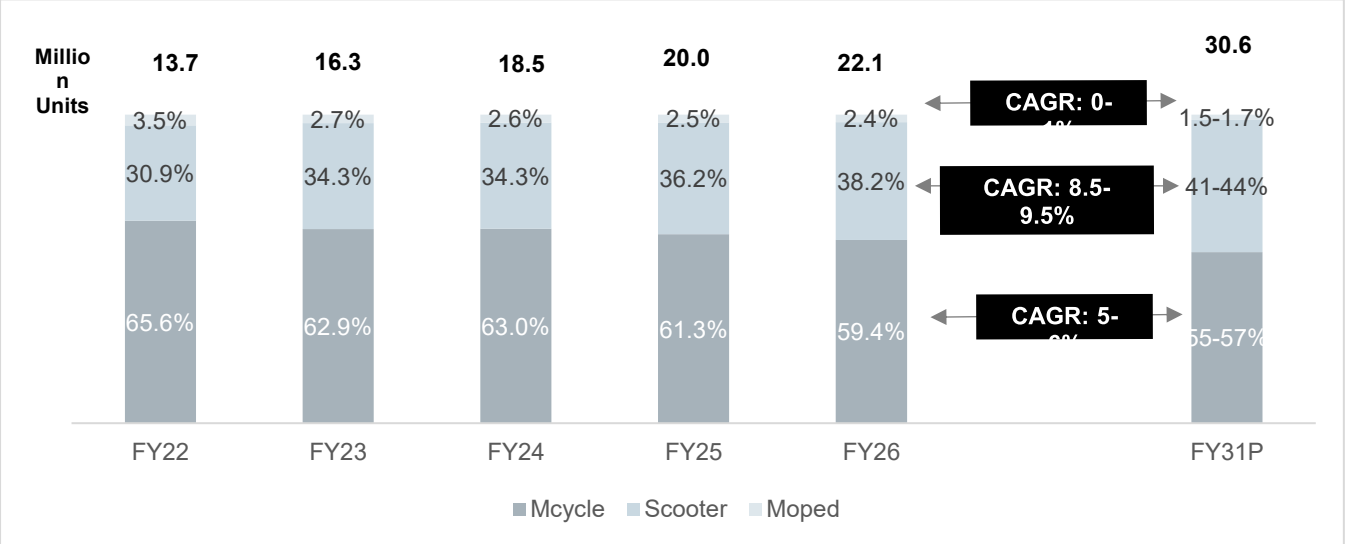
Domestic two-wheeler industry outlook — till fiscal 2031



Source: SIAM, Crisil Intelligence

Split by two-wheeler segments (Motorcycles, Scooter and Mopeds)

Segmental Split Outlook



Source: SIAM, CRISIL Intelligence

Motorcycles, on the other hand, are projected to clock a slower 5 to 6% CAGR during the period. The premium motorcycles sub-segment is expected to continue to provide thrust to the motorcycles segment while the commuter segment is projected to grow only moderately.

Premiumisation and upgradation will limit the growth of commuter motorcycles sub-segment. Shifting customer preference towards premium segments supplemented by OEM focus and more launches in the premium segment will provide the thrust to the premium segment going ahead.

The moped segment is expected to grow almost in line with the overall industry growth led by the electrification in the price sensitive segment. Electrification within the mopeds segment will lead the growth of this segment. CRISIL Intelligence expects the relatively financially weak, bottom-of-the-pyramid customer base of mopeds to opt for EV mopeds which have relatively lower acquisition costs.

At present, there is only one model, the recently launched E luna, in the mopeds segment. However, more models are expected to be launched in the short term, which will revive the growth of this contracting segment.

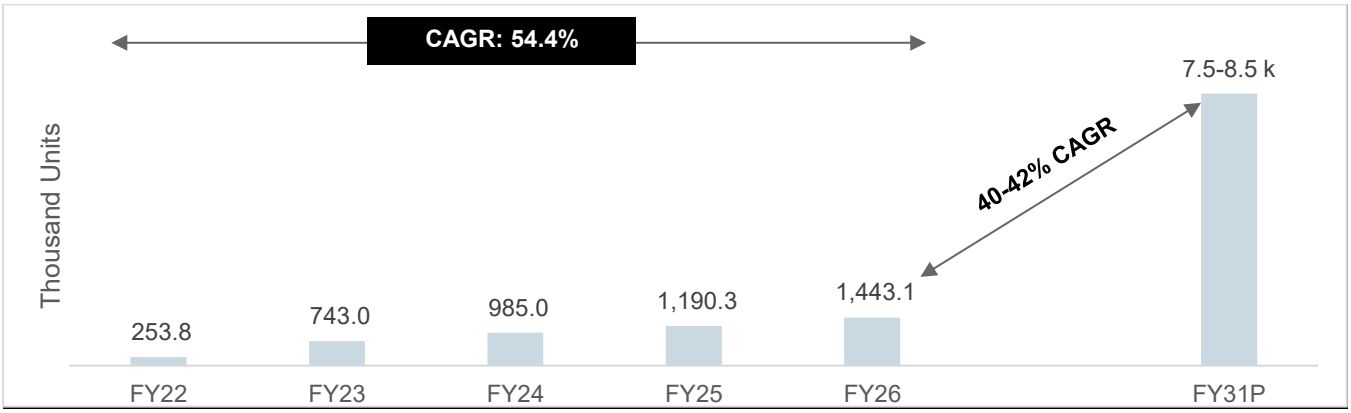
Estimated Penetration of Electric two-wheelers segment-wise for motorcycles and scooters by Fiscal 31

The electric two-wheeler retails rose at a sharp growth pace of 101.8% CAGR between fiscal 2021 to fiscal 2026, albeit off the small base of fiscal 2021. Going ahead, the growth momentum in the industry is expected to continue over the long-term horizon led by increasing acceptance of EVs, rising awareness, improving TCO for electric vehicles, bridging acquisition cost gap

between EV []\and ICE counterparts, larger vehicle portfolio, expanding charging infrastructure, furthering financing support, increasing EV manufacturing capacity, and continued government support.

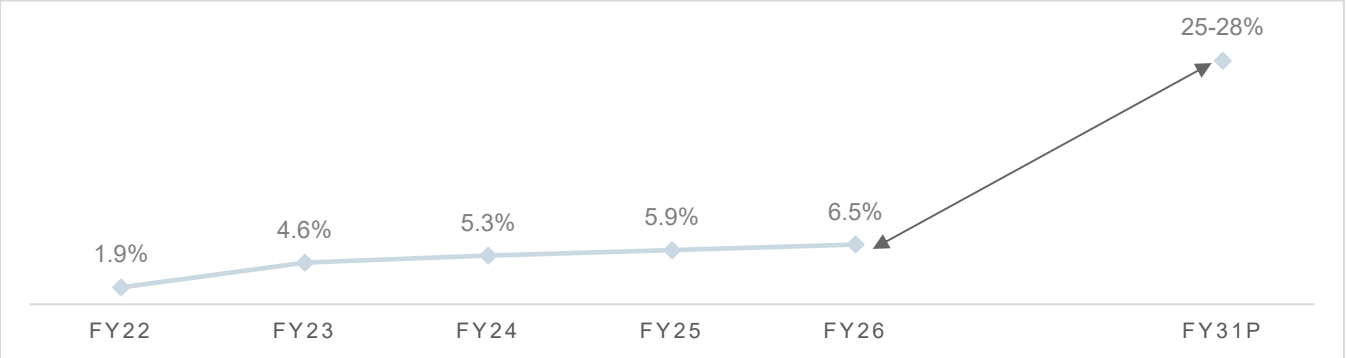
Crisil Intelligence expects the EV retails to rise at a healthy pace of 40 to 42% CAGR and reach volumes of 7.5 to 8.5 lakh units in fiscal 2031. And the EV penetration to reach 25 to 28% by fiscal 2031.

e2W Retails and CAGR Outlook



Note: Only high-speed electric two-wheelers have been considered for analysis.
Source: SIAM, VAHAN, Crisil Intelligence

Outlook for EV Penetration in 2W segment



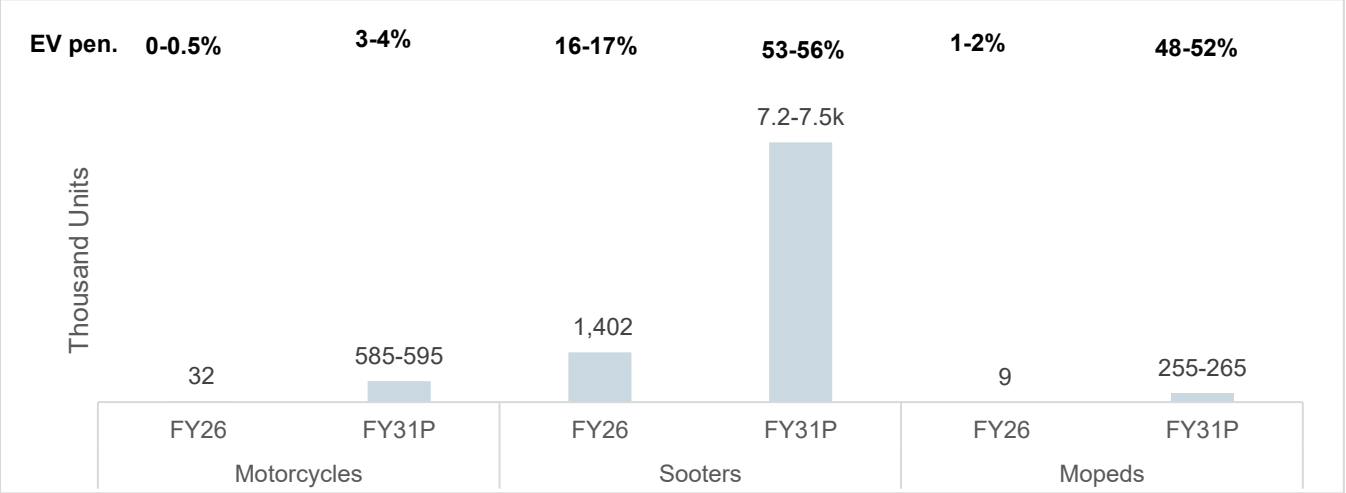
Note: Only high-speed electric two-wheelers have been considered for the analysis.
Source: SIAM, SMEV, VAHAN, Crisil Intelligence

Scooters are expected to lead the change going ahead as well. EV penetration within scooters is currently the highest at 16 to 17% as of fiscal 2026. Due to the fast-expanding e scooter portfolio, OEM focus, highly tech-enabled e-scooter offerings, lowering TCO and reduction in acquisition cost difference vs ICE counterparts, the customer preference is expected to shift from ICE scooters to e scooters leading to a sharp rise in e-scooter penetration going forward. Crisil Intelligence expects EV penetration to reach 53 to 55% for scooters by fiscal 2031.

Mopeds is another segment which is projected to see sharp electrification going ahead. The price sensitive nature of the moped customer base, lower operating costs of EV, lowering the acquisition price gap between EVs and ICE equivalents will propel the EV sales within the moped segment. The launch of mopeds by Kinetic Green and expected offering from TVS will aid the E-moped demand over the long-term horizon. Crisil Intelligence projects EV penetration to reach 48 to 52% for the mopeds segment by fiscal 2031.

Electrification within motorcycles segment has remained limited amidst limited offerings as well as longer distance usage of motorcycles compared to scooters. However, amidst the projected launch of e bikes/ motorcycles from OEMs including Oben Electric, Ultraviolette, TVS, Revolt, Ola, Tork and Ather will back electrification within motorcycles as well. Hence, EV penetration is expected to reach 3 to 4% within motorcycles by fiscal 2031.

Segment wise EV Outlook



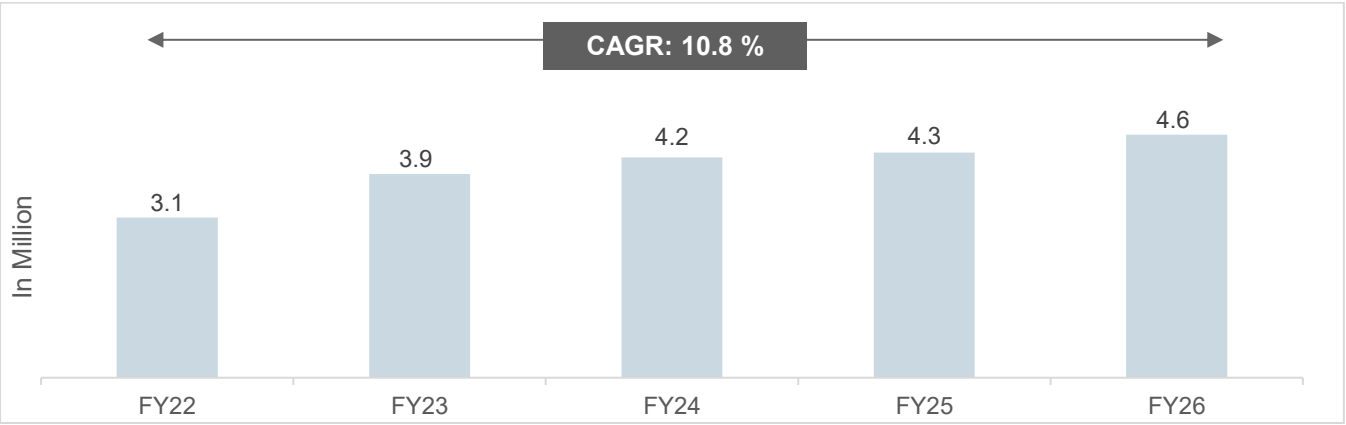
Note: Only high-speed electric two-wheelers have been considered for the analysis. Above figures are approximate figures.
Source: SIAM, SMEV, VAHAN, Crisil Intelligence

Indian Passenger Vehicle Industry

Review of Indian PV industry (fiscals 2022 to 2026)

Historic production development (Fiscal 22 to Fiscal 26)

Review of domestic PV sales volume



Source: SIAM, Crisil Intelligence

India's domestic passenger vehicle market has demonstrated strong recovery and steady growth following the pandemic-induced slowdown. Post-pandemic growth accelerated in Fiscal 23, with sales reaching 3.89 million units, and continued to rise to 4.21 million in Fiscal 24. The market stood at 4.3 million and 4.64 million units in Fiscal 25 and Fiscal 26 resp. The market grew by a CAGR of 11% from Fiscal 22 to Fiscal 26, reflecting sustained demand, increasing vehicle ownership, and a stable long-term outlook for the passenger vehicle segment.

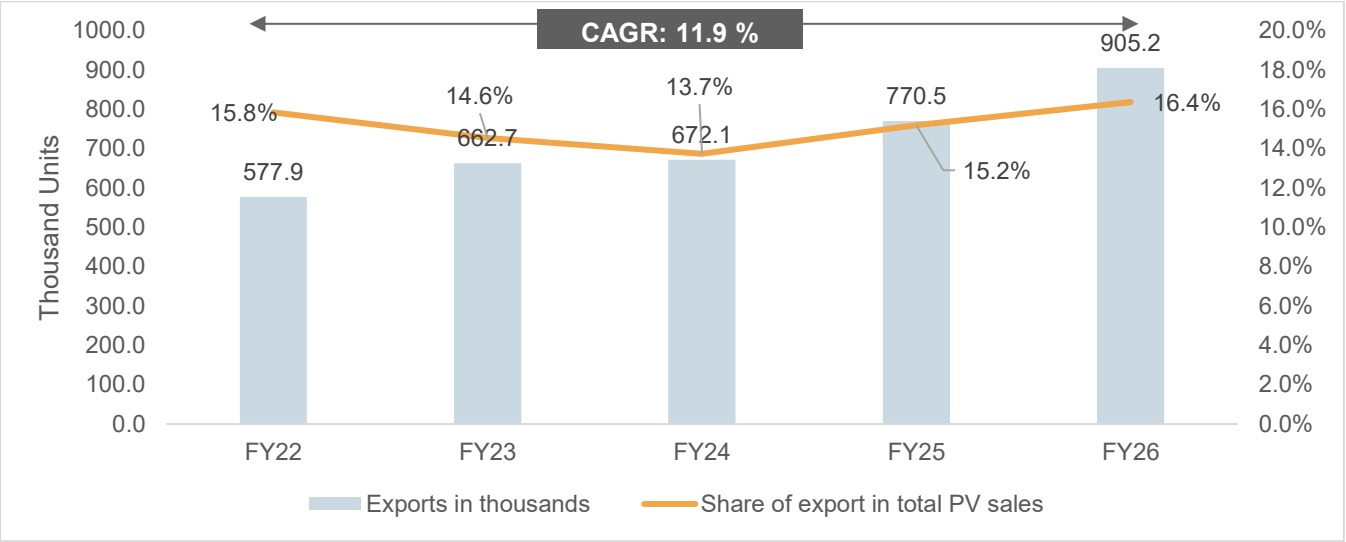
Split by domestic sales and exports

Exports accounted for 14 to 16% of the overall passenger vehicle sales in India during fiscals 2022 to 2026. Over the period, passenger vehicle exports increased at a CAGR of 11.9%, rising from 577.9 thousand units in fiscal 2022 to 905.2 thousand units in fiscal 2026.

Export volumes witnessed steady growth during the period, increasing from 577.9 thousand units in fiscal 2022 to 662.7 thousand units in fiscal 2023, 672.1 thousand units in fiscal 2024, 770.5 thousand units in fiscal 2025, and 905.2 thousand units in fiscal 2026, the highest level during the five-year period.

During fiscals 2022 to 2026, the share of exports in total passenger vehicle sales remained broadly stable, ranging between 13.7% and 16.3%. After declining from 15.8% in fiscal 2022 to 13.7% in fiscal 2024, the export share recovered to 15.2% in fiscal 2025 and further increased to 16.3% in fiscal 2026, the highest level during the period.

Passenger Vehicle exports trend



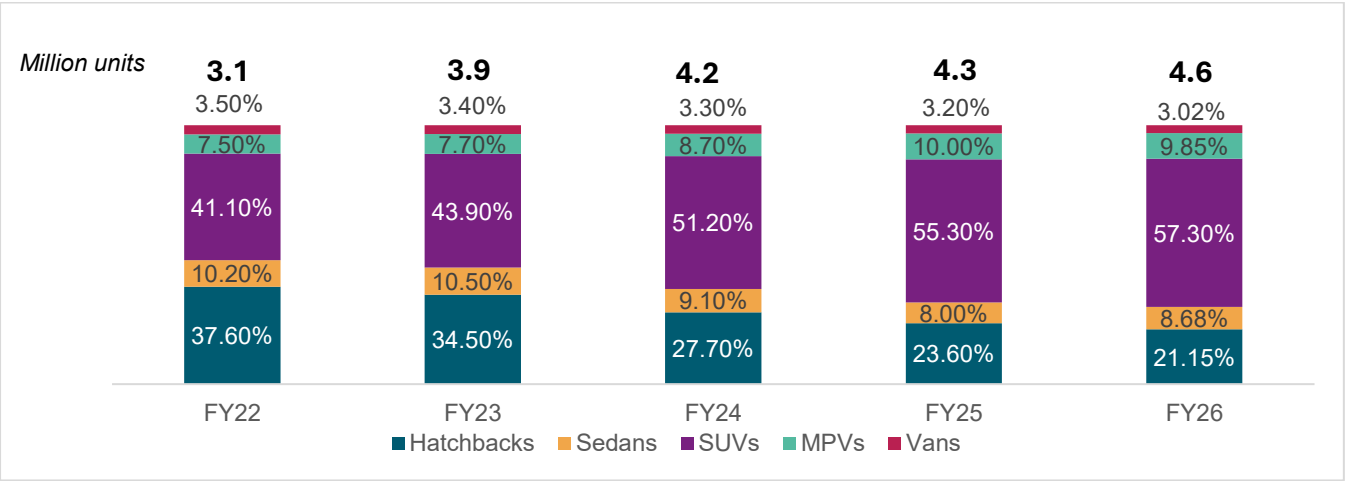
Source: SIAM, Crisil Intelligence

Split by vehicle segments

Based on body types, PVs in India are broadly classified into hatchbacks, sedans, SUVs, multipurpose vehicles (MPVs) and vans. Traditionally, domestic vehicle buyers have been cost conscious, with mileage and initial vehicle buying cost being the two key factors influencing the decision-making. Hence, the hatchback segment had been leading PV sales over the years primarily because of the lower ticket size and lower running costs, making them affordable to the average Indian customer.

However, with a growing share of younger buyers with global exposure, there is an increasing awareness and preference towards other parameters such as driving experience, safety, advanced features aesthetics and comfortable ride due to poor road conditions, which are impacting the decision-making process. To address this change, OEMs such as Tata Motors and Hyundai have started incorporating enhanced vehicle safety in their recent launches. Several carmakers have introduced advanced features in top variants and gradually incorporated them in even the mid variants. Furthermore, rising disposable income has also given an impetus to growth in the SUV segment.

Segment-wise trends in the overall PV sales volume in India



Source: SIAM, Crisil Intelligence

CAGR for segment-wise trends in the overall PV sales volume in India — fiscals 2022 to 2026

	Hatchbacks	Sedans	SUVs	MPVs	Vans
Fiscal 22 to 26 CAGR	-4%	6%	20%	18%	7%

Note: Figures above bars are the sales volume.
Source: SIAM, CRISIL Intelligence

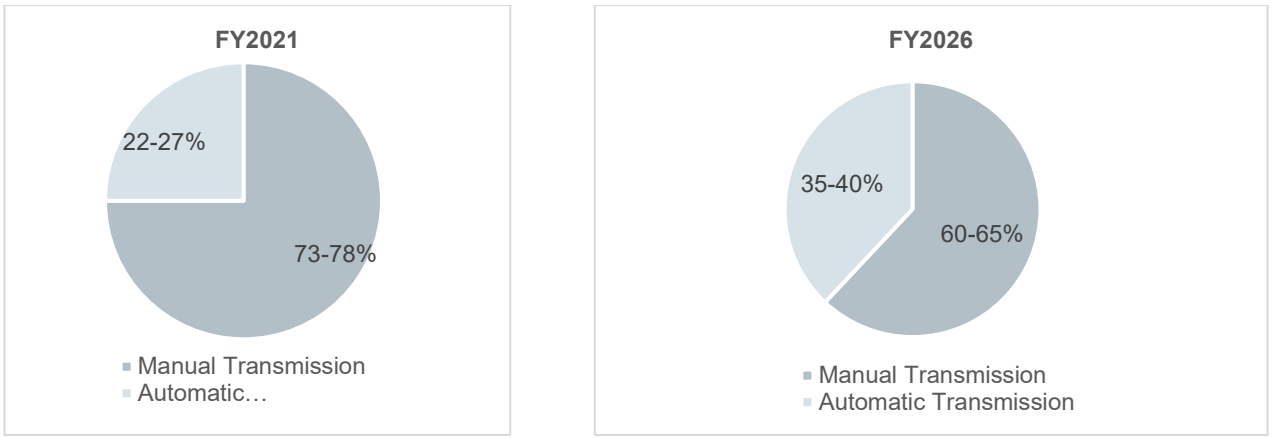
PV production by transmission type

Transmission components, which transfer power from engine to wheels, are key components of vehicles. There are various types of transmissions available depending on the level of automation in the transmitting power from engine to wheels.

These technologies differ in terms of their level of automation and reduction in driving strain. In semi-automatic transmission, transmission technologies such as automated manual transmission (AMT) and intelligent manual transmission (iMT) are

available. In AMT, in place of the manually operated gear lever and clutch pedal, a hydraulic actuator system mounted inside the engine operates both. The actuators of the AMT system are linked to the ECU of the car. iMT is a clutch-less transmission system, here the driver must manually shift the gears, while the clutch is operated automatically by sensors and software.

Transmission mix trend

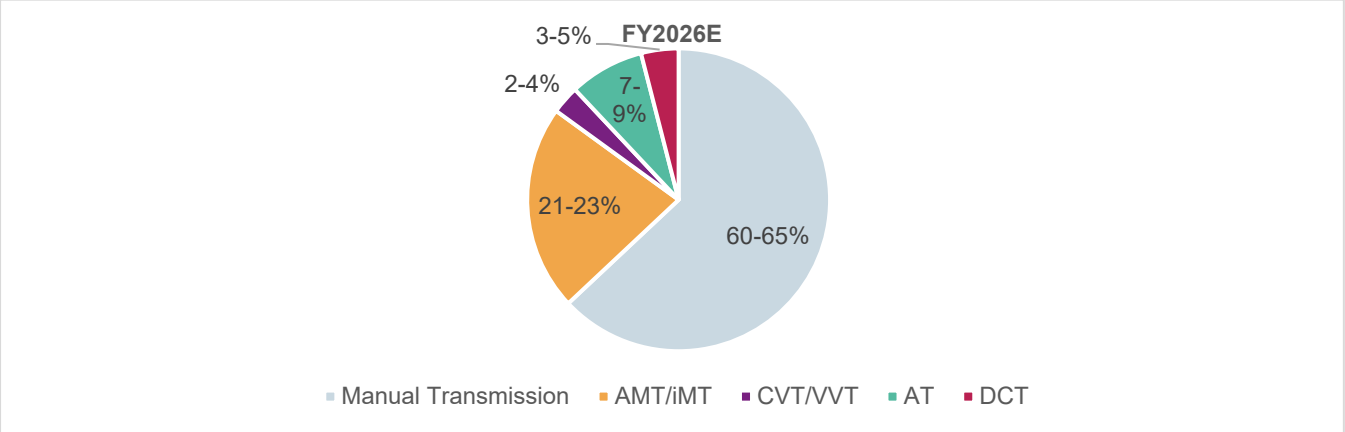


Note: The above split is for only ICE vehicles
Source: Industry, CRISIL Intelligence

PV production is completely dominated by relatively cheaper manual transmission vehicles. However, over the years, automatic transmission has been gaining popularity.

Share of automatic transmission vehicles in domestic PV sales has increased from 22 to 27% in fiscal 2021 to approximately 35 to 40% in fiscal 2026. However, domestic PV sector is still dominated by manual transmission system, which accounted for more than 60% of sales in fiscal 2026. Penetration of manual transmission vehicles is still higher owing to dominance of high price consciousness over the need for comfort. However, with worsening traffic conditions, rising affordability, need for comfort and availability of semi-automatic transmission at affordable price points, AMT and iMT started gaining share over the last five years. AMT and iMT together accounted for 21 to 23% share in sales in fiscal 2026.

Transmission mix



Note: MT – Manual Transmission, AMT – Automatic Manual Transmission, iMT – Intelligent Manual Transmission, AT – Automatic Transmission, DCT – Dual Clutch Transmission, E – Estimated
Source: Industry, CRISIL Intelligence

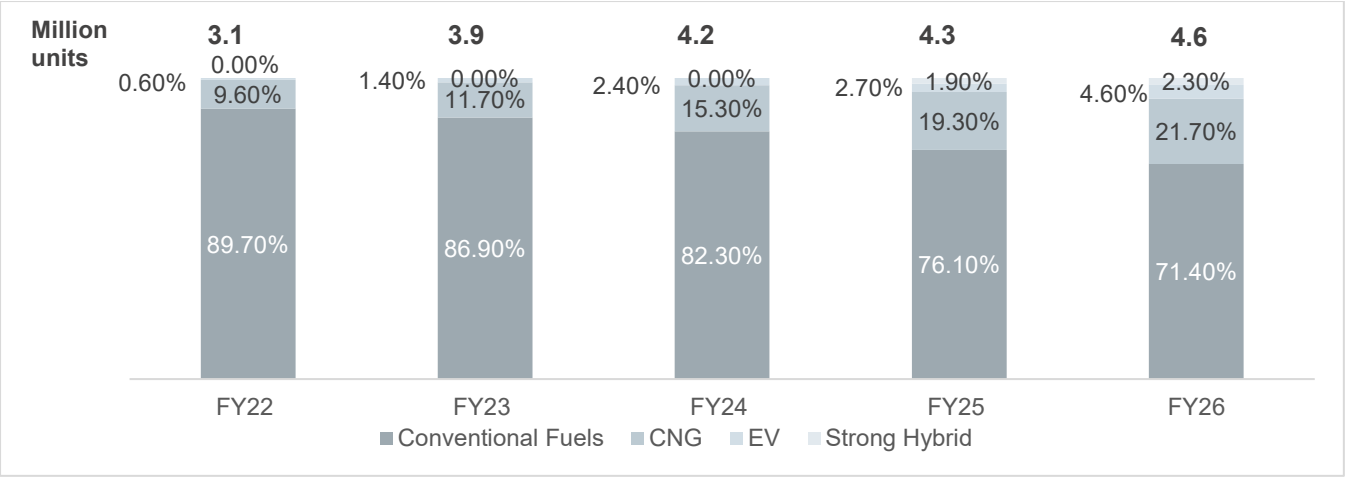
AMT and iMT technologies dominate the affordable vehicles segment (less than Rs 8 lakh). In premium cars, technologies such as AT, CVT and DCT are preferred as they offer smoother driving experience. CRISIL's market checks indicate that AT offers best driving experience but is the costliest among competing technologies. Its penetration is prevalent primarily in premium and luxury passenger vehicles. AT, CVT and DCT approximately accounted for 7 to 9%, 2 to 4% and 3 to 5% of domestic vehicle production in fiscal 2026.

Changing powertrain mix in the Indian PV industry

Conventional fuel powertrains (petrol and diesel) have dominated the Indian PV industry for decades. Petrol vehicles were the preferred choice despite diesel being cheaper than petrol primarily because of their low acquisition cost compared with diesel vehicles. However, the preference for diesel vehicles surged over fiscals 2012 to 2014 due to rising petrol prices and an increase in the price gap with diesel. Further, diesel vehicles offered better mileage and the difference between the acquisition cost of diesel and petrol vehicles was only marginal.

Moreover, a shift in OEM focus from diesel to petrol vehicles including discontinuation of diesel models by a few OEMs such as Maruti with the onset of stricter BSVI norms, exacerbated the situation for diesel vehicles. In fiscal 2026, the share of diesel powertrain in the industry retail slid to only 18%.

Powetrain mix trend of PV industry retails



Note: Strong hybrid: Vehicles having a combustion engine as well as an electric motor. The vehicle can be powered by the engine or the battery, or by both simultaneously. The battery of the vehicle is charged by the combustion engine and not by an external power source. Telangana & Lakshadweep retail data is not available on VAHAN.
Source: VAHAN, CRISIL Intelligence

Competitive OEM landscape

Domestic PV industry is an oligopolistic market with few players dominating the entire industry. Maruti Suzuki leads the PV industry in terms of domestic sales volumes. Hyundai Motor India is the second largest contributor to the domestic sales, followed by Tata Motors and Mahindra & Mahindra. These 4 players together contribute approximately 80% of the market.

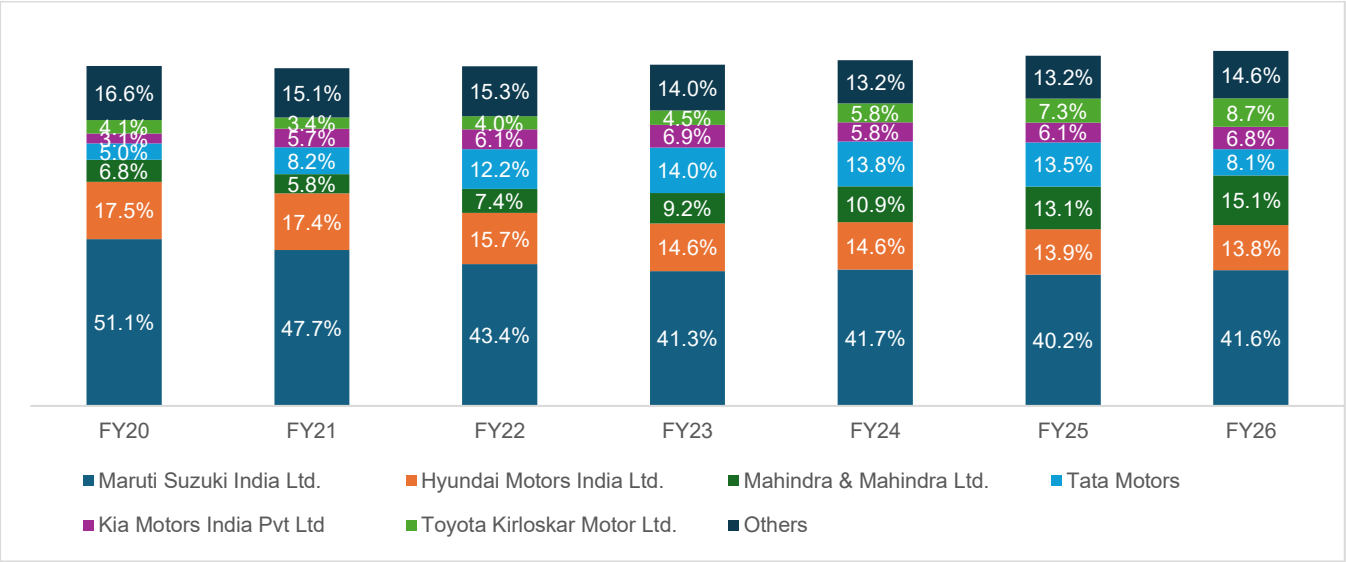
However, in the last 6 years, the competition has intensified amidst competitively priced feature-rich vehicle launches by all players as well as recent entrants such as Kia and MG grabbing sizeable shares. Share of Maruti Suzuki contracted from a high base of 51.1% in Fiscal 2020 to 41.6% in Fiscal 2026 due to the shift in customer preference from hatchbacks towards SUVs and Maruti Suzuki's focus on the mass cars segment. However, success of their recent launches like Grand Vitara, Fronx, Invicto and continued traction for Ertiga and Brezza helped Maruti Suzuki regain some lost ground during Fiscal 2026, bringing their market share up to 42%.

Hyundai Motor India is the second largest contributor to Indian domestic PV sales since Fiscal 2009 and has maintained its position in the market since then. This is due to continued traction for popular SUV models like Creta and Venue coupled with new vehicle launches and launch of upgrades of its popular models. Introduction of Venue, Aura & Kona helped company expand its presence in the market during Fiscal 2020. In the following 5 years, Hyundai Motor India maintained 15 to 18% share within the domestic market amidst continued demand for its popular models aided by frequent upgrades of its popular models like i10, i20, Creta, Verna, and Venue.

Tata Motors gained ground in the last 5 years riding on the success of its SUV models of Nexon & Punch. The increase in traction for EVs (where Tata Motors dominates) has also provided an additional support to Tata Motors sales. In turn, Tata Motors' share of total market expanded from 5% to 13.5%, during Fiscal 2020 to 2025 period. However, due to stiff competition, the company's share contracted in fiscal 2026. The portfolio expansion in the form of XUV300, XUV700, Scorpio N has aided Mahindra & Mahindra's share in recent years. In the last 6 years, Mahindra & Mahindra expanded their share from 6.8% in Fiscal 2020 to 15.1% by fiscal 2026.

Recent entrant Kia tasted early success in the Indian market in the form of Seltos and Sonet which helped the company grab a 6.8% share of the market by Fiscal 2026. Toyota has maintained its 4 to 9% market share with continued demand for its flagship Innova. While Glanza, Urban Cruiser and Hyryder provided added support to Toyota's sales. Honda has been facing intense competition in the domestic market, and its share has contracted from 3.7% in Fiscal 2020 to 1.2% in Fiscal 2024.

Player wise contribution in PV industry-overall

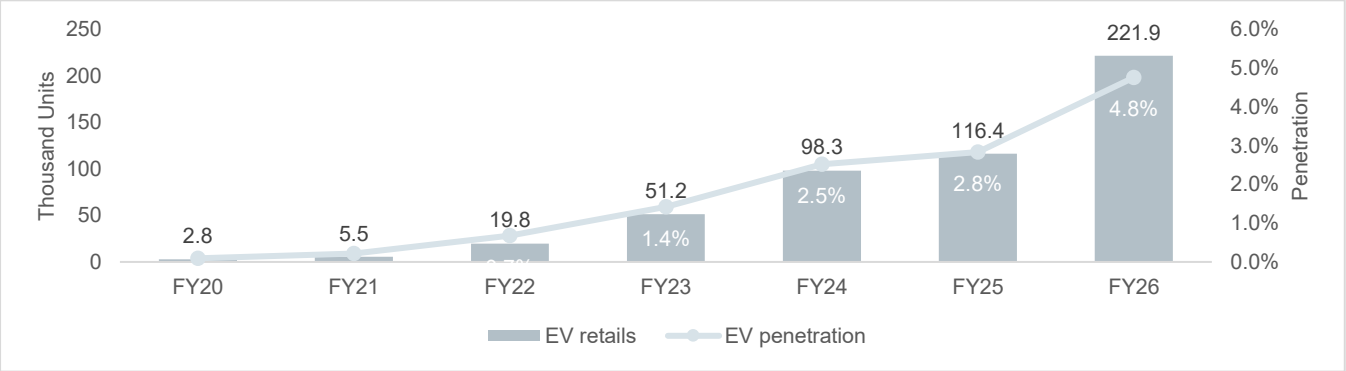


Note: Data includes ICE and EVs
Source: SIAM, VAHAN, CRISIL Intelligence

Current EV penetration in PV

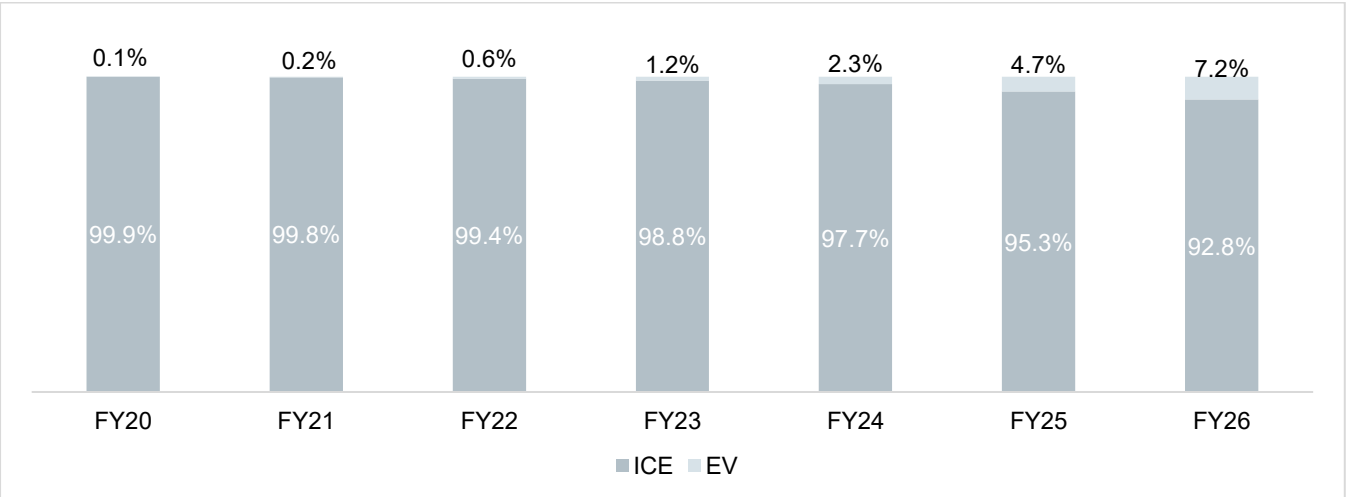
EV adoption in India is led by 2Ws and 3Ws; however, PVs are catching up fast. EV penetration in the PV segment was insignificant until fiscal 2021 amid a limited vehicle portfolio and lower customer awareness. Fast expansion of the portfolio, rising environmental awareness, government support and expanding EV infrastructure have led to a sharp rise in EV adoption. Consequently, the penetration of EVs within the retail industry rose to 2.8% in fiscal 2025 from 0.08% in fiscal 2020.

Domestic EV retail and penetration trend in PVs



Note: Vahan figures include Telangana retails.
Source: Vahan, Crisil Intelligence

ICE vs EV split for Passenger Vehicles (Fiscal 20 to 26)



Source: VAHAN, Crisil Intelligence

The Indian passenger vehicle market is undergoing a gradual but accelerating shift towards electric mobility. While ICE vehicles continue to dominate, EV penetration has increased significantly from 0.1% in Fiscal 20 to an estimated 7.2% by Fiscal 26. ICE vehicles are expected to account for 92.8% of total passenger vehicle sales in Fiscal 26, indicating that electrification is gaining momentum.

Key Insights

- EV penetration increased from 0.1% to 7.2%, demonstrating a significant shift in consumer preference toward electric mobility
- Despite the growth of EVs, over 90% of passenger vehicles sold are still ICE-powered, indicating that conventional vehicles continue to drive the market
- Improvements in EV models, wider product availability, and growing awareness have contributed to stronger EV adoption across multiple vehicle segments
- Growth in charging infrastructure, advancements in battery technology, and increasing localization of EV components have strengthened the industry's foundation
- Rising EV penetration has created demand for batteries, battery management systems (BMS), power electronics, electric drivetrains, charging infrastructure, and lightweight materials

Segmental shifts amidst premiumization

Based on body types, PVs in India are broadly classified into hatchbacks, sedans, SUVs, multipurpose vehicles (MPVs) and vans. Traditionally, domestic vehicle buyers have been cost conscious, with fuel efficiency and initial vehicle buying cost being the two key factors influencing the decision-making. Hence, the hatchback segment had been leading PV sales over the years primarily because of the lower ticket size and lower running costs, making them affordable to the average Indian customer.

However, with a growing share of younger buyers with global exposure, there is an increasing awareness and preference towards other parameters such as driving experience, safety, advanced features aesthetics and comfort especially considering India's challenging road conditions, which are impacting the decision-making process. It is one of the reason, customers are opting for more premium models for better comfort and ride experience. To address this change, OEMs such as Tata Motors and Hyundai have started incorporating enhanced vehicle safety in their recent launches. Several car makers have introduced advanced features in top variants and gradually incorporated them in even the mid-level variants. Furthermore, rising disposable income has fueled growth in the SUV segment.

Modern consumers in India are preferring mid-end or top end version of the vehicles moving away from the traditional fuel-efficient budget friendly small cars towards higher priced feature loaded larger cars which offer much more space, taller ride height, seamless connectivity, and improved performance. Further, there has been a major shift in customer preference with the launch of compact and mid-size SUVs. The share of small cars reduced over the last few years and share of SUVs increased. This was majorly driven by shift in consumer sentiments towards newly launched feature rich vehicles in the SUV segment.

Over the last few years, OEMs have started introducing hybrid models into the market. For example, Toyota launched Hycross and Urban Cruiser Hyryder, Maruti Suzuki launched Grand Vitara and Invicto, setting the stage for hybrid cars in India. Also, OEMs are actively launching EVs in the domestic market. Some key models include Tata Nexon, Tata Punch, MG ZS EV, MG Windsor, MG Comet and Hyundai Creta. Further, with the rise of EVs and hybrids, modern vehicles have started adding semi-active suspension systems to improve ride comfort and overall handling. All these additional features have also aided the premiumization within the passenger vehicle industry.

There has been a perceptible shift in customer buying behavior, with customers prioritizing vehicle experience over costs and willing to pay a premium. They are also ready to accept longer waiting times for the desired vehicle. More customers are now opting to buy mid-to-top level variants that fall within their budgets. The shift towards premium vehicles is resulting in inter-segmental and intra-segmental shifts. As the market shifts towards premium vehicles, SUVs and hybrids, the demand for higher technological requirements is expected to translate to increased CPV, demand for high-performance products and critical components.

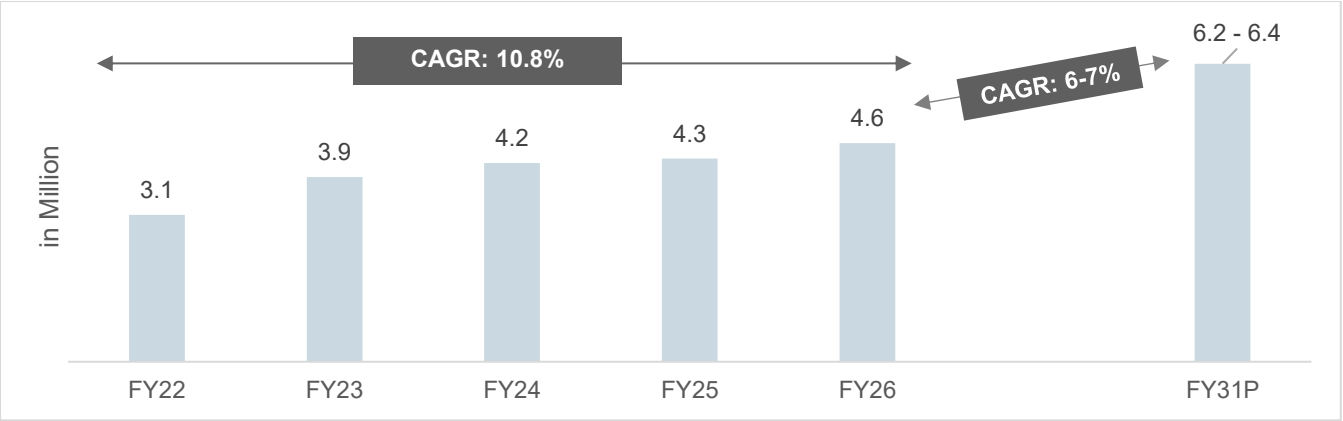
Outlook of Indian PV industry (fiscals 2026 to 2031)

Production outlook (Fiscal 26 to Fiscal 31)

The domestic passenger vehicle industry has witnessed steady growth over the past few fiscals, with annual sales increasing from 3.1 million units in fiscal 2022 to 4.6 million units in fiscal 2026. Going forward, the industry is expected to maintain its growth trajectory, with domestic passenger vehicle sales projected to reach 6.2 to 6.4 million units by fiscal 2031, translating into a 6 to 7% CAGR over fiscals 2026 to 2031.

The expected growth reflects the industry's continued expansion from the current sales base and indicates sustained demand over the medium term. The projected increase in domestic passenger vehicle sales is expected to support higher production volumes across the industry during the forecast period.

Domestic Passenger Vehicle industry outlook — till fiscal 2031



Source: SIAM, Crisil Intelligence

Split by segments

Domestic industry growth is expected to be led by SUV and MPV segments, while hatchback, sedan and van segments are expected to clock muted growth.

Rise of SUVs

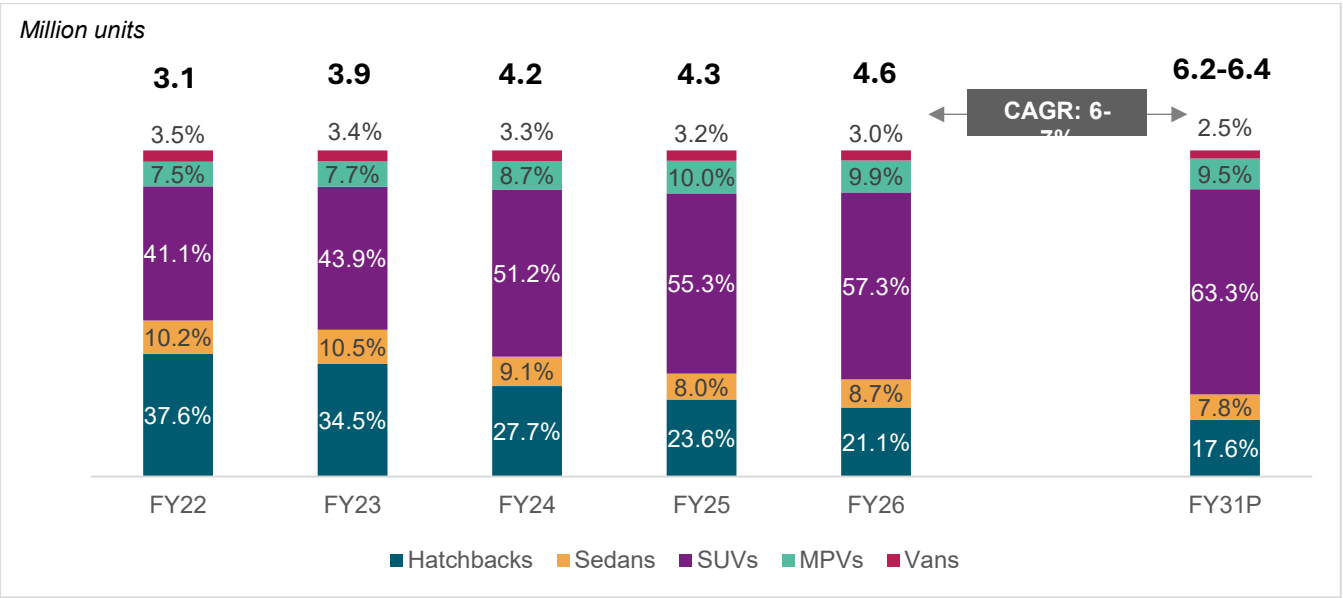
The SUV segment, which traditionally appealed to customers valuing larger seating capacity and its ability to drive on rough terrain, has increasingly gained customer preference over the years. The compact SUV segment, especially, provided the much-desired SUV body styling at competitive rates bringing SUV segment within the reach of the common consumers.

Recognising the changing consumer preferences, OEMs also launched higher number of vehicles in the SUV segment compared to other segments providing a further fillip to the SUV share expansion.

Thus, the changing customer preference coupled with new vehicle launches provided the real thrust to the growth of the SUV segment. Moreover, entry of global players like Kia and MG, with their SUV portfolios lent further support to the segment's growth.

During the last 4 years, while industry witnessed a growth at 11% CAGR, the SUV segment grew at 20% CAGR.

Outlook by industry segment

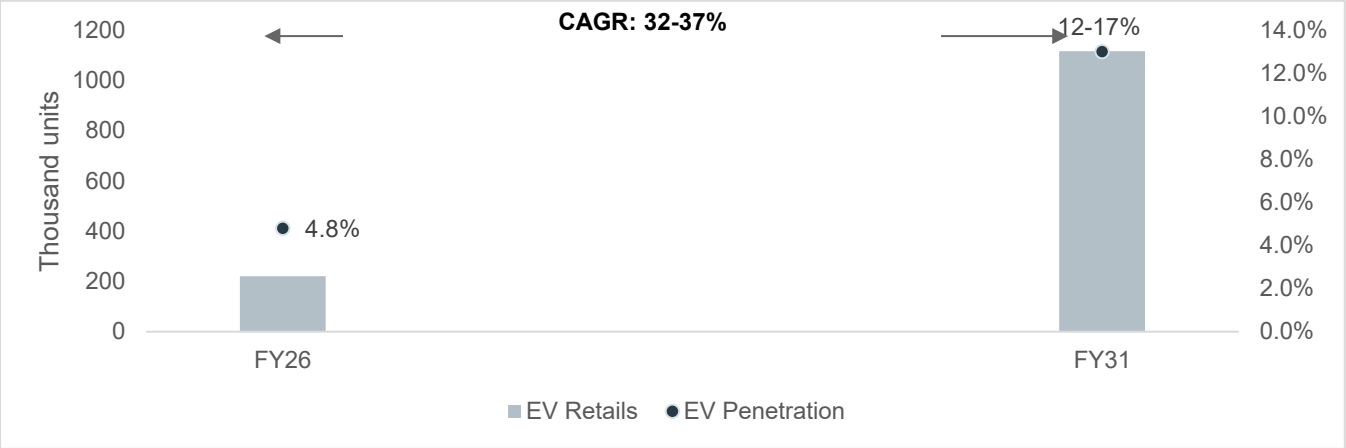


Source: SIAM, Crisil Intelligence

Estimated Penetration of Electric PV segment-wise by Fiscal 31

The share of EVs in total passenger car sales is projected to increase to 12 to 17% by fiscal 2031, from 4.8% in fiscal 2026. Additionally, EV sales are forecast to reach 1000 to 1200 to thousand units by fiscal 2031, growing at 32 to 37% CAGR.

EV penetration outlook for PVs



Source: Crisil Intelligence

Review and Outlook of Indian Electric Three-Wheeler Industry (Fiscals 2022 To 2026)

With the emphasis on reducing carbon footprint, EVs are gaining importance globally. India is a signatory to the Paris Agreement under the United Nations Framework Convention on Climate Change. The country is also part of the EV30@30 campaign, targeting a 30% sales share for EVs by 2030.

The government is extending its support via FAME and tax-rate cuts to boost EV adoption. Furthermore, growing awareness, concern for environmental issues and keener focus from automotive companies are driving electrification in India. The EV segment has received real thrust over the past two years with model launches, increasing awareness, elevated fuel prices and improvement in infrastructure support.

The government announced Rs 100 billion for Phase II of FAME, which commenced on April 1, 2019. This phase mainly focuses on supporting electrification of public and shared transportation through demand incentives of 0.5 million for electric 3Ws. The policy aims to provide a subsidy of Rs 10,000 per kWh to 3Ws. It envisions the creation of infrastructure for EV charging. The subsidy for 2Ws is Rs 15,000 per kWh, although it was cut from June 2023, by lowering the cap on maximum subsidy from 40% of a vehicle's ex-showroom cost to 15%. EV adoption has been relatively fast in the 2W and 3W segments. A sharp rise in fuel costs over the past two years has provided an added incentive to the price-sensitive customers of 2Ws and 3Ws. Moreover, a bevy of vehicle launches from the industry backed the growth in adoption, especially in fiscal 2023.

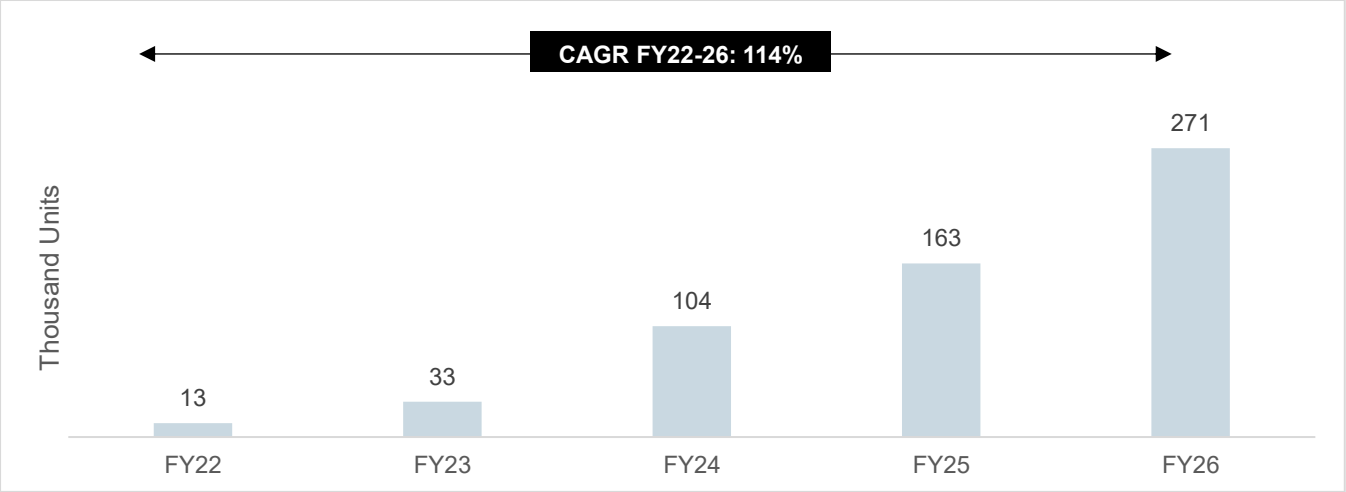
Electric 3-wheeler sales (Fiscal 22 to Fiscal 26)

E Auto retails have grown at a remarkable pace of 128% compound annual growth rate (CAGR) during the fiscal 2020 to 2026 period. From a relatively low base of 1.9 thousand in fiscal 2020, the sales of E Autos (L5 segment) have experienced exponential growth over the past six years, surpassing the 100 thousand retail mark during fiscal 2024 and maintaining a healthy growth trajectory reached at 271 thousand units in fiscal 2026.

The growth of E Autos has been driven by factors such as increasing offerings from OEMs, improving EV supply, rising EV awareness, expanding charging infrastructure, lower operating costs, reduced range anxiety, and the convenience of home charging.

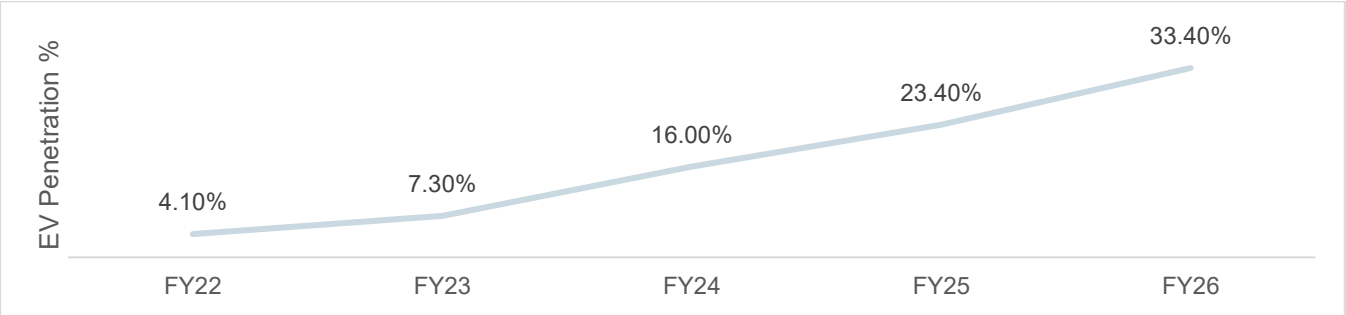
Additionally, the growing e-commerce segment and the preference of large e-commerce players for electric three-wheelers have provided an added boost to EV sales. This category of usage requires vehicles with higher ranges and reliability, as well as better operating efficiencies that support income generation.

Electric 3W sales (E-auto)



Note: Electric 3Ws include e-autos and does not include e-rickshaws
Source: VAHAN, CRISIL Intelligence

EV penetration in 3Ws



Note: Electric 3Ws include e-autos and does not include e-rickshaws, Retail sales data from VAHAN has been considered for analysis.
Source: VAHAN, CRISIL Intelligence

E-auto (i.e., the L5 category) rickshaws use lithium-ion batteries and have an average speed of more than 25 kmph. They are used for moving cargo as well as passengers. The leading players in this segment are Mahindra Last Mile Mobility and Bajaj Auto. Under FAME-I, e-3Ws driven by lead-acid batteries were also eligible for subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Higher initial cost of e-autos, lack of availability of a wide range of products in the market, and insufficient charging infrastructure have hindered their penetration (5% in fiscal 2022). Despite these challenges, the shift towards e-autos has occurred due to their low operating costs, economic benefits and environmental friendliness.

Drivers of electrification

Replacement opportunity in 3Ws

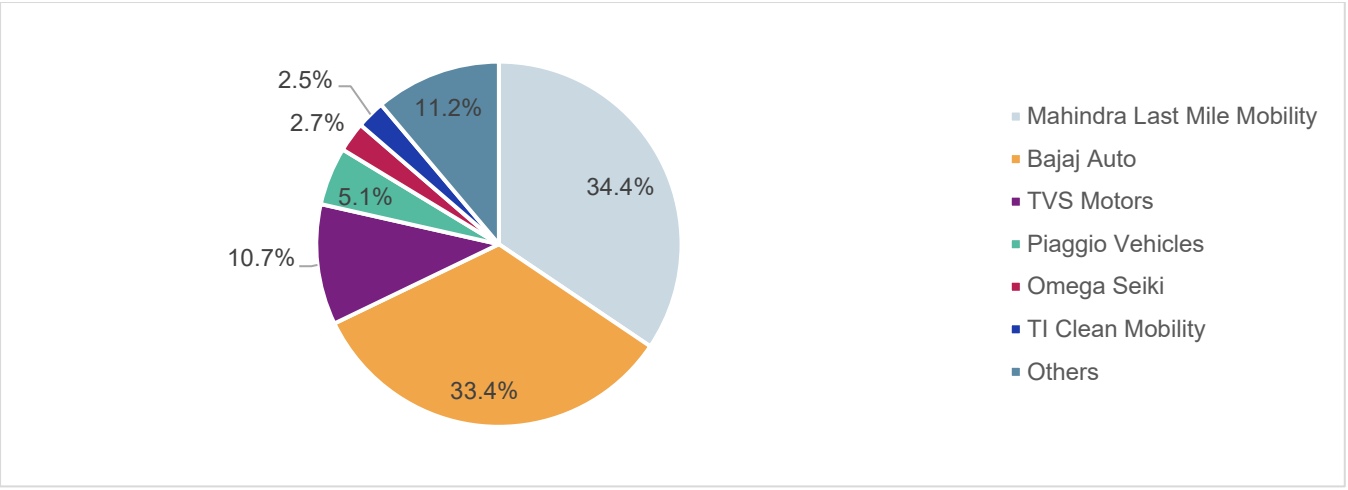
Following the pandemic, demand for 3Ws has improved as customers are upgrading and replacing their old fleets for higher uptime and cleaner vehicles. The replacement market for 3Ws has expanded. Pent-up demand from fiscal 2021 (when vehicular moment was restricted) had helped the segment last fiscal. It is expected to continue this fiscal, too. Further, demand in the replacement market is expected to grow owing to deeper penetration of electric 3Ws. Additionally, central and state subsidies have lowered the capital cost. Some of the states have either reduced or waived registration fees, road tax and permit requirement for electric 3Ws. Moreover, these vehicles have lower running costs. Overall, their cost of ownership is now much lower than conventional diesel or CNG 3Ws, rendering the shift to electric 3Ws attractive.

Other factors driving growth

- Favourable cost economics, strong charging infrastructure, and easy availability of finance should drive the growth of e-autos
- E-commerce delivery is an important segment in E-3W sales. An improving economy amid low-to-moderate inflation is expected to drive consumer spending, propelling retail-industry growth driving the sales of E-3W even further.
- A stronger infrastructure network (metro lines and road connectivity) and the need for zero-emission 3Ws for last-mile connectivity to also support electrification in the longer run.

Mahindra Last Mile Mobility, Bajaj Auto, TVS Motors top players in electric 3W segment

Share of key players in electric 3W market (e-autos, Fiscal 26)



Note: Electric 3Ws do not include e-rickshaws
Source: VAHAN, CRISIL Intelligence

Mahindra Last Mile Mobility and Bajaj Auto were the top two players in fiscal 2026, together accounting for over 67% of the electric 3W market. They saw strong growth in sales in the fiscal, as 3W operators looking to lower their operating costs amid high fuel prices switched to electric variants.

Unlike ICE vehicles, electric 3W passenger vehicles do not come under the ambit of the permit system, because of which customers prefer them. As more players launch products in this category, we expect it to drive 3W sales in general. Incentives under FAME-II and state EV policies are also expected to support.

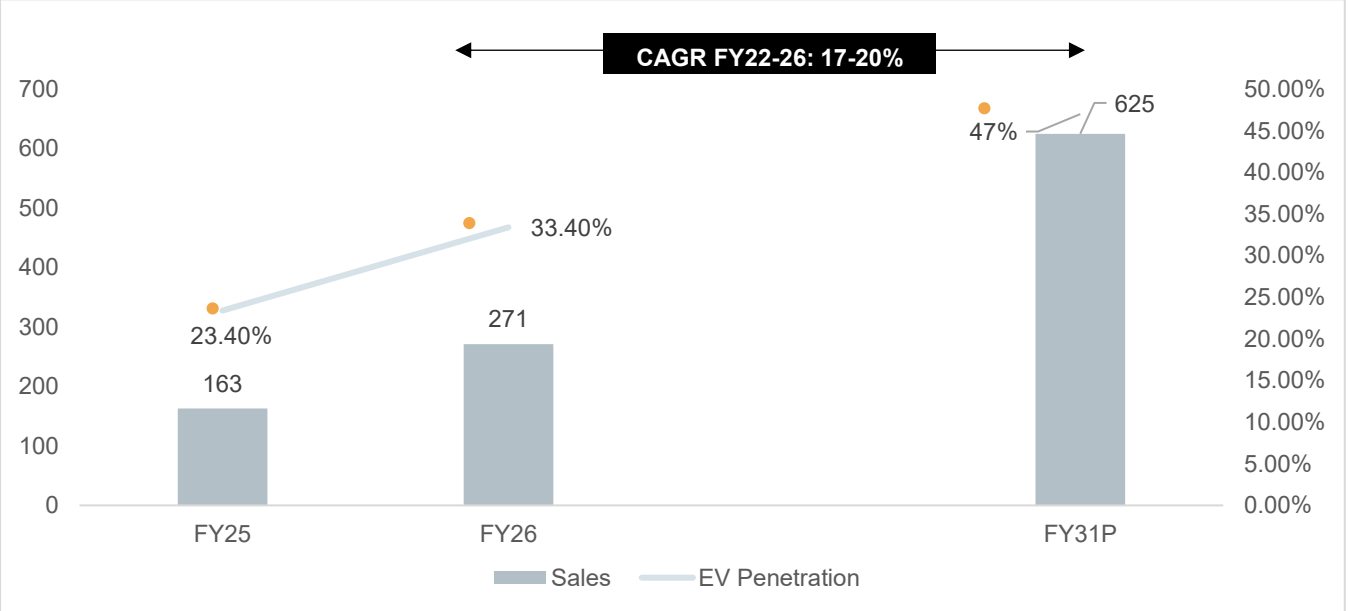
Outlook of the electric three-wheeler industry (fiscals 2026 to 2031)

3Ws will spearhead EV penetration in India because they are mostly used for short-distance trips and carry more load than e-rikshaws and e-bikes.

Moreover, all the conventional large OEMs, including Bajaj, Piaggio, Mahindra and TVS, have launched e-autos in the Indian market, which has improved their supply. This is expected to boost EV adoption in the long term.

Share of electric 3Ws to increase

Electric 3W sales outlook (in thousand units) and EV penetration outlook



Note: Electric 3Ws include e-autos and does not include e-rickshaws
Source: VAHAN, CRISIL Intelligence

The penetration of EVs in 3Ws was 33% in fiscal 2026. However, the shift to electric 3Ws is gaining momentum owing to the high prices of diesel, petrol and CNG.

The electric 3W segment will continue to innovate and lead the industry as fixed and swappable battery solutions have revolutionised the sector. Also, leading OEMs are focused on electric 3Ws. Bajaj currently dominates the petrol segment, and its market share is expected to expand with aggressive initiatives in the EV space.

A favourable regulatory environment, along with central and state government subsidies, is lowering the capital cost of purchasing electric 3Ws. Also, reduction or waiver of registration fees, road taxes and permit requirement by some of the states continue to support EV adoption. Moreover, their TCO is 30 to 40% lower than conventional diesel or CNG 3Ws, making the conversion to electric autos an attractive proposition.

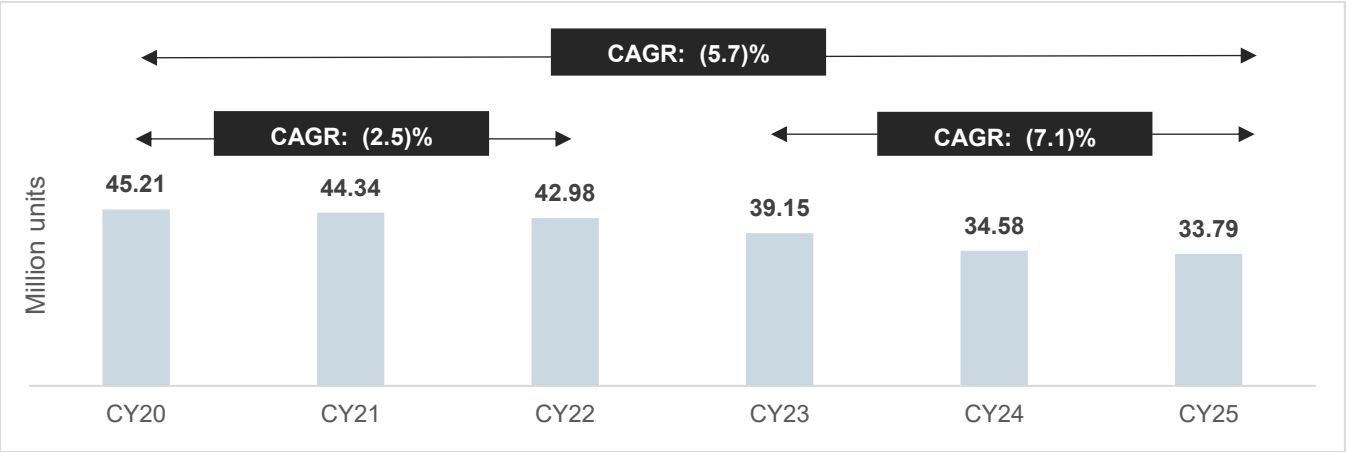
Review and Outlook of Global Bicycle Industry

Review of the global bicycle industry (2020 to 2025)

Historic sales development (CY20 to 25)

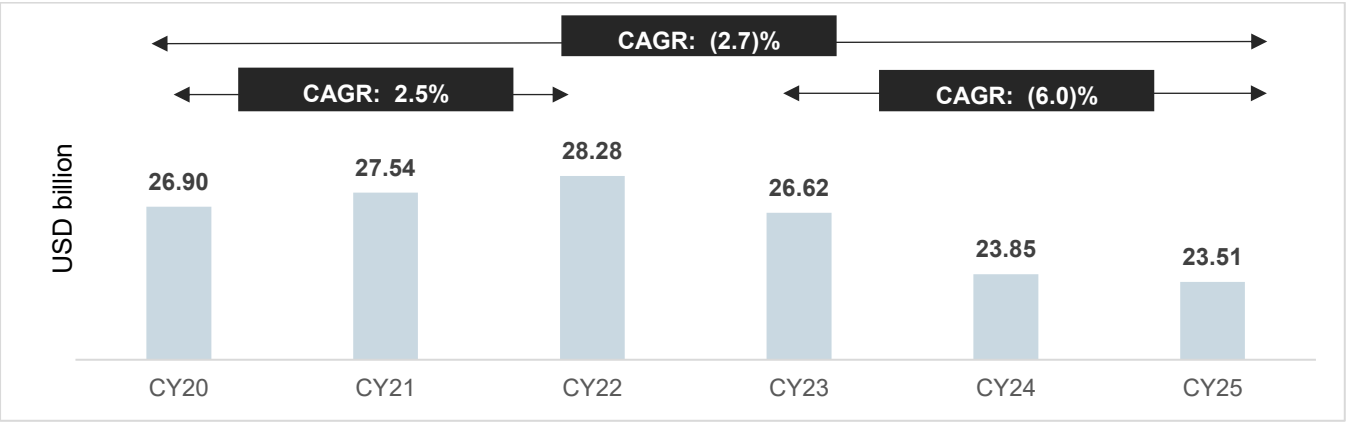
The bicycle industry is getting support from electric bikes. E-bikes, with their humble beginnings in the late 19th century, have evolved from clunky prototypes to modern marvels. Early pedelecs with pedal-activated motors kickstarted wider appeal, and 21st-century advancements in battery technology and design have made e-bikes a serious contender for commuting, recreation and utility cycling. This e-bike surge is a boon for industry. It expands the customer base by attracting new riders and fuels innovation in areas such as battery tech, motor design and connected features, all while promoting sustainable transportation. Challenges such as regulations, cost and safety concerns remain, but the future looks promising. Lighter batteries, smarter features and diverse e-bike options are on the horizon. Collaboration between e-bike makers, policymakers and urban planners will be key to creating an e-bike-friendly world, propelling the bicycle industry towards a sustainable and accessible future.

Overall bicycle sales market volumes



Note: Above figures include bicycle market volumes for conventional and electric combined for the US, Europe, Japan and ASEAN
ASEAN includes Singapore, Malaysia, Indonesia, Thailand, Vietnam, Philippines and Rest of ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

Overall bicycle market value

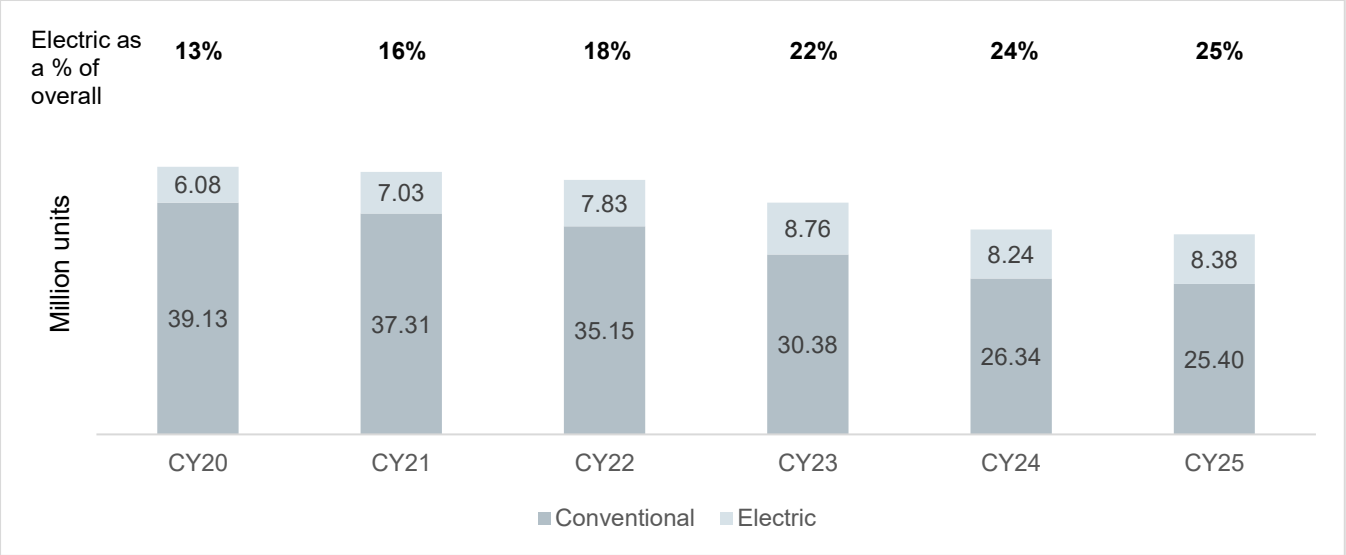


Note: Above figures include bicycle market value for conventional and electric combined for the US, Europe, Japan and ASEAN
ASEAN includes Singapore, Malaysia, Indonesia, Thailand, Vietnam, Philippines and Rest of ASEAN countries
Source: Mordor Intelligence, CRISIL Intelligence

Although overall bicycle volumes declined during CY20-CY25, the impact on industry value was partly offset by increasing e-bike penetration and premiumisation, which supported average selling prices.

Bicycle industry trends by product type (CY20 to 25)

Segmentation by product type in volumes



Note: Above figures include bicycle market volumes for the US, Europe, Japan and ASEAN
Source: Mordor Intelligence, CRISIL Intelligence

The global bicycle market witnessed a notable shift toward electrification between CY20 and CY25, although conventional bicycles continued to dominate overall sales volumes. Total bicycle volumes declined from 45.21 million units in CY20 to 33.79 million units in CY25, reflecting the normalization of demand following the pandemic-driven surge in cycling activity. However, this decline was primarily driven by conventional bicycles, whose volumes fell from 39.13 million units to 25.40 million units during the period.

In contrast, electric bicycle (e-bike) sales exhibited strong growth, increasing from 6.08 million units in CY20 to 8.38 million units in CY25, reflecting rising consumer preference for convenient, sustainable, and technology-enabled mobility solutions. As a result, e-bike penetration nearly doubled, rising from 13% of total bicycle sales in CY20 to 25% in CY25.

The growing adoption of e-bikes has been supported by advancements in battery technology, expanding cycling infrastructure, increasing environmental awareness, and rising demand for alternative mobility solutions. E-bikes have also broadened the addressable market by attracting commuters, older riders, and recreational users seeking assisted mobility and greater riding comfort. Meanwhile, conventional bicycles continue to account for most volumes due to their affordability and widespread use in fitness and recreational activities.

Overall, the data highlights a gradual transformation of the bicycle industry, with e-bikes emerging as the primary growth segment while conventional bicycles continue to form the foundation of overall market demand. The increasing share of e-bikes reflects the industry's ongoing shift toward electrification and premiumization, particularly across developed markets.

Nuances within the segment:

It is important to note that the conventional bicycle market is not monolithic. Sub-segments such as road bikes and mountain bikes may have experienced fluctuations based on their own specific trends and technological advancements. For example, the introduction of lighter materials or innovative gear-shifting mechanisms could drive growth within a specific segment of conventional bicycles.

E-bikes:

Electric bikes are appreciated for their efficiency, accessibility and minimal environmental impact. With advancements in battery technology, they offer extended ranges and excellent performance, making them the preferred choice for urban commuting. Governments globally, along with environmentally conscious consumers, are accelerating the shift to electric mobility, solidifying the dominance of e-bikes in the industry.

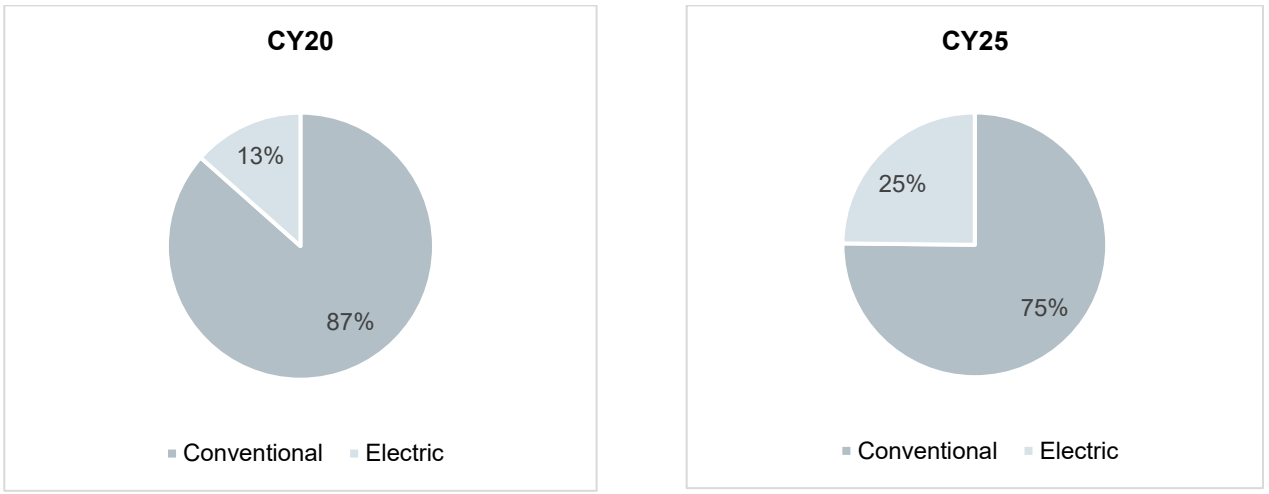
The e-bike market, in stark contrast, has witnessed a meteoric rise in recent years, fundamentally altering the bicycle industry. Following are some of the reasons for the same:

Broadened appeal: E-bikes have expanded the cycling demographic significantly. They cater to individuals who may find traditional bikes physically demanding, those seeking a more convenient way to navigate cities with hilly terrain, or even older adults who want to enjoy cycling without exertion. This inclusivity has fueled the e-bike revolution.

Technological advancements: Improvements in battery technology, motor efficiency and overall design have played a critical role. E-bikes are becoming lighter, offering longer ranges and boasting a sleeker aesthetic, making them more attractive to a wider range of riders.

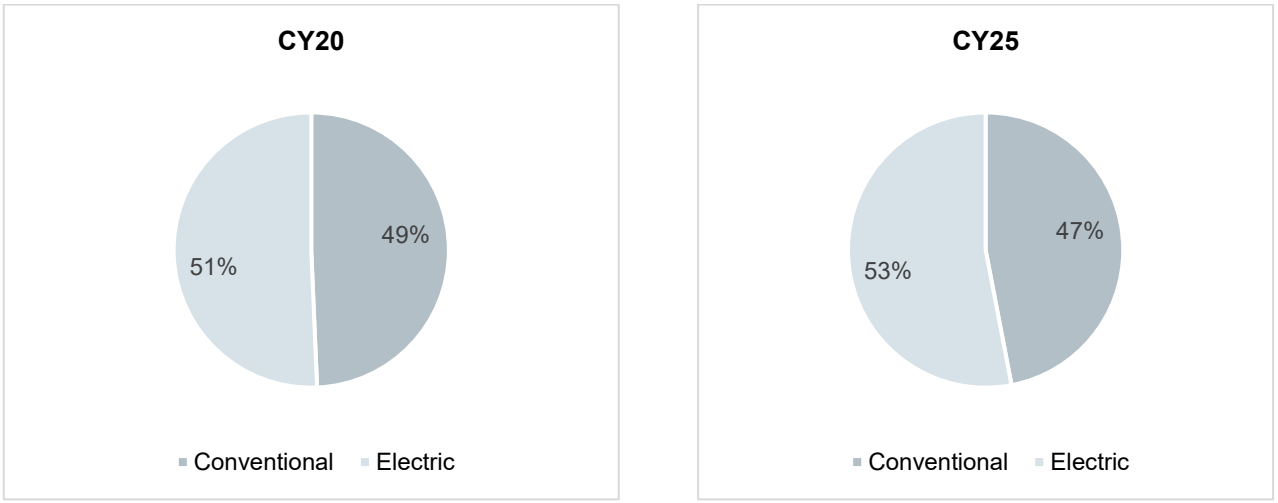
Environmental alignment: The growing public focus on sustainability has positioned e-bikes as a compelling alternative to polluting vehicles. They offer a practical and eco-friendly mode of transportation, further propelling their popularity.

Trend in market share by bicycle type (in volume terms) (CY20 to 25)



Note: Above figures are inclusive of geographies such as the US, Europe, Japan and ASEAN
Source: Mordor Intelligence, CRISIL Intelligence

Trend in market share by bicycle type (in value terms) (CY20 to 25)



Note: Above figures are inclusive of geographies such as the US, Europe, Japan and ASEAN
Source: Mordor Intelligence, CRISIL Intelligence

The bicycle market continues to be dominated by conventional bicycles; however, electric bicycles have steadily increased their presence over the past six years. In volume terms, the share of e-bikes nearly doubled from 13% in CY20 to 25% in CY25, reflecting growing consumer preference for electric-assisted mobility solutions. This growth has been driven by rising urban congestion, increasing environmental awareness, advancements in battery technology, and expanding cycling infrastructure in several developed markets. Despite this shift, conventional bicycles continue to account for most sales volumes, supported by their affordability, accessibility, and widespread use for recreation and fitness activities.

A similar trend is visible in terms of value, where e-bikes accounted for 51% of the global bicycle market value in CY20, increasing to 53% in CY25. Although e-bikes represent a smaller share of total unit sales, their higher average selling prices enable them to contribute a disproportionately larger share of industry revenue. This highlights the growing premiumization of the bicycle market, with consumers increasingly willing to pay for features such as electric assistance, longer battery range, enhanced connectivity, and improved riding comfort.

Europe: Europe remains the most mature e-bike market globally, supported by extensive cycling infrastructure, strong environmental regulations, and a well-established cycling culture. The adoption of e-bikes is particularly strong in urban areas, where consumers increasingly view them as a practical alternative to cars and public transport for short-distance travel.

China: China continues to be the backbone of the global bicycle and e-bike ecosystem, serving as both a major manufacturing hub and one of the largest end markets. Growth is driven by widespread urban usage, a thriving delivery economy, and the availability of cost-effective electric mobility solutions across a broad consumer base.

North America: The North American market is characterized by growing demand for premium bicycles and e-bikes, particularly for commuting, recreation, and outdoor activities. Increasing investments in cycling lanes and active mobility initiatives are supporting adoption, while consumers continue to show strong interest in technologically advanced and high-performance models.

Japan: The Japanese market is driven by practicality and convenience, with electrically assisted bicycles widely used for daily urban transportation. Demand is supported by an aging population, compact urban environments, and a preference for efficient mobility solutions that require limited physical effort.

ASEAN: ASEAN remains an emerging bicycle market with significant long-term growth potential. Rising urbanization, increasing environmental awareness, and improving economic conditions are encouraging the adoption of bicycles and e-bikes, particularly in major metropolitan areas. The region is also witnessing growing investments in electric mobility and sustainable transportation infrastructure.

Going forward, the global bicycle industry is expected to witness a gradual increase in e-bike penetration across all major regions. While conventional bicycles will continue to account for most unit sales due to their affordability and accessibility, e-bikes are likely to contribute a growing share of industry value, supported by technological advancements, changing mobility preferences, and increasing focus on sustainable transportation.

Bicycle industry trends by motor type

The e-bike revolution has already gained significant momentum, with two distinct motor types vying for dominance: hub motors and mid-drive motors. Each offers a unique riding experience, catering to different rider profiles.

Hub motors, the silent workhorses of the e-bike world, are renowned for their affordability and user-friendly nature. Nestled discreetly within the front or rear wheel, they provide a comfortable and reliable boost of electric power, perfect for casual riders who enjoy leisurely cruises on flat terrain or budget-conscious commuters seeking a convenient way to navigate city streets. On the other hand, mid-drive motors occupy the heart of the e-bike, seamlessly integrating with the drivetrain to create a powerful and natural riding experience. They reign supreme in the realm of performance, offering superior torque that conquers hills with ease and mimics the familiar feel of traditional cycling.

Hub Motor

Hub motors, electric motors embedded directly within the wheel hub, have become a pivotal technology driving the growth of the e-bike industry. Their inherent advantages, including ease of use, reduced maintenance requirements and attractive price points, have fostered widespread adoption among a significant segment of the e-bike user base. However, inherent limitations necessitate ongoing innovation to ensure continued dominance in this burgeoning market.

Design

Wheel-centric powerhouse: Unlike its mid-drive counterpart, the hub motor becomes an integral part of the wheel itself. The motor housing replaces the standard hub, seamlessly integrating the electric motor with the wheel's rotation. Hub motors come in two main configurations: front-mounted and rear-mounted. Each offers distinct advantages:

- Front-mounted hub motor: This option generally offers a lighter overall weight distribution for the e-bike and can be slightly more affordable. However, it might provide a less natural riding experience due to the altered weight distribution and the potential for a slight dragging sensation when not using the motor assist.

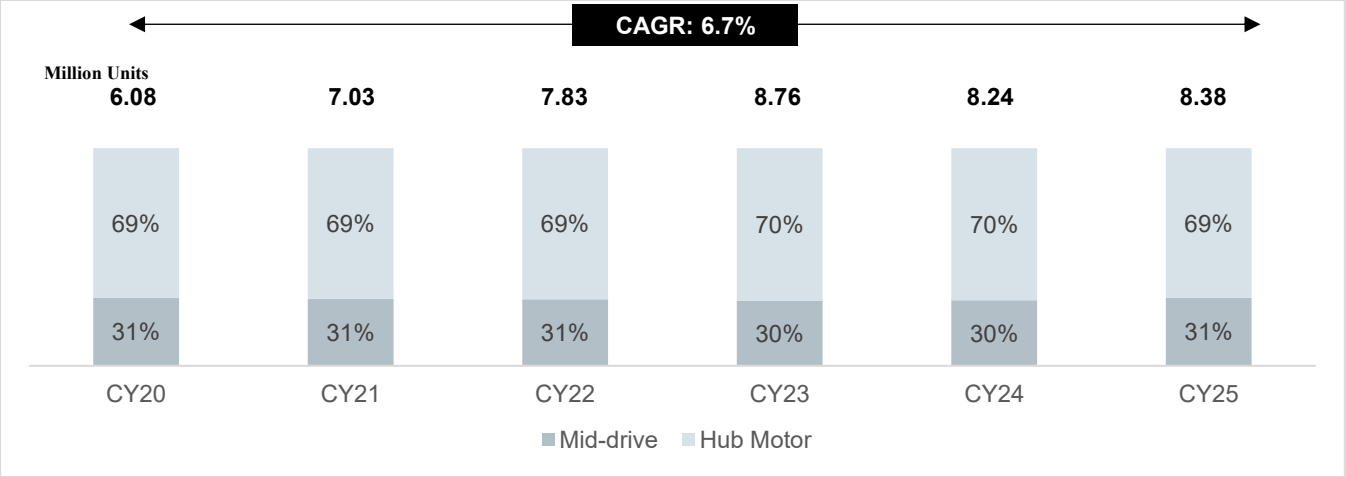
- Rear-mounted hub motor: This configuration offers a more intuitive riding experience as the power delivery closely mimics that of traditional pedaling. Additionally, rear-mounted hub motors can benefit from the existing drivetrain components, potentially offering greater efficiency and torque.

One of the most significant advantages of hub motors is their affordability. The simpler design and fewer moving parts translate to lower production costs compared to mid-drive motors. Hub motors are renowned for their user-friendly nature. The simpler design typically requires less maintenance compared to mid-drive motors.

Mid-drive Motor

The mid-drive motor sits at the center of an e-bike's performance, seamlessly integrated with the drivetrain and offering a riding experience that closely mimics traditional cycling. Unlike the hub motor that resides within the wheel, the mid-drive motor becomes the heart of the e-bike's power delivery system. Unlike hub motors, mid-drive motors are positioned near the pedals, typically mounted directly on the frame of the e-bike. They connect with the bicycle's crank set and cassette, essentially working in conjunction with the existing gears. This creates a more natural riding experience as the motor's power augments rider’s pedaling effort.

Overall share of e-bike market by motor type (in volume terms) (CY20 to 25)

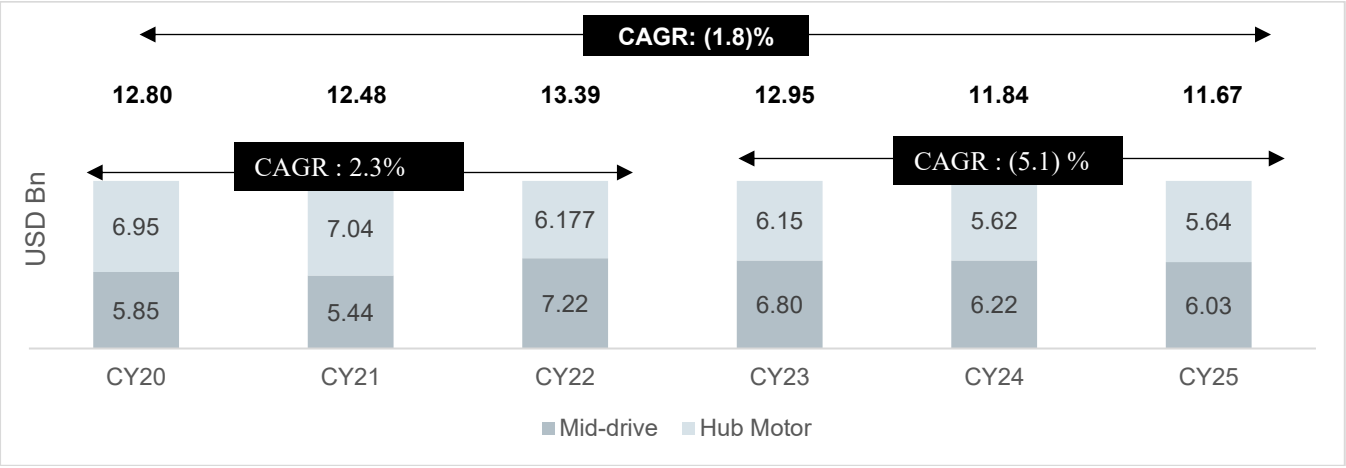


Note: The above figures are in million units and include e-bike market volumes for the US, Europe, Japan and ASEAN.
Source: Mordor Intelligence, CRISIL Intelligence

The global e-bike market demonstrated strong growth between CY20 and CY25, with sales volumes increasing from 6.08 million units to 8.38 million units, reflecting a CAGR of 6.7%. Growth was driven by rising consumer interest in sustainable mobility, increasing urban congestion, higher fuel costs, and continued advancements in battery and motor technologies. E-bikes have also benefited from growing awareness of health and environmental benefits, positioning them as an attractive alternative for both commuting and recreational use.

In terms of motor type, hub motor e-bikes consistently dominated the market, accounting for approximately 68 to 70% of total sales volumes throughout the period. Their leadership can be attributed to their lower cost, simpler construction, ease of maintenance, and suitability for everyday urban commuting. Meanwhile, mid-drive motor e-bikes maintained a stable share of around 30 to 32%, supported by demand for premium and performance-oriented models. Although hub motors continue to lead in volume terms, the growing premiumization of the e-bike market and rising consumer preference for enhanced riding performance are expected to support sustained demand for mid-drive systems. Overall, the market remains largely hub motor-led, while both motor technologies continue to benefit from the broader expansion of the global e-bike industry.

Overall e-bike market by motor type (in value) (CY20 to 25)



Note: The above figures are in million units and include e-bike market volumes for the US, Europe, Japan and ASEAN.
Source: Mordor Intelligence, CRISIL Intelligence

The global e-bike market by motor type witnessed a gradual shift toward premiumization between CY20 and CY25, despite overall market value declining at a CAGR of 1.8% from USD 12.8 billion to USD 11.67 billion. While the broader bicycle market normalized following the pandemic-driven surge, mid-drive motor e-bikes increased their value share from 5.85 million units in CY20 to 6.03 million units in CY25, reflecting growing consumer preference for higher-performance and premium e-bike models.

Despite continued growth in e-bike volumes, market value declined between CY23 and CY25 due to increasing price competition and a shift toward more affordable e-bike models. As production capacity expanded and competition intensified, particularly from Asian manufacturers, e-bike prices came under pressure across several key markets. At the same time, improvements in manufacturing efficiency, battery technology, and supply-chain localization reduced production costs, enabling manufacturers to offer lower-priced products to a broader consumer base. Consequently, while e-bike adoption continued to increase, declining average selling prices weighed on overall market value growth.

The increasing adoption of mid-drive systems can be attributed to their superior torque delivery, better weight distribution, and enhanced riding experience, making them particularly suitable for trekking, mountain, cargo, and premium commuter e-bikes.

In contrast, hub motor e-bikes saw their value share decline from 54% to 48%, although they continue to maintain a strong presence in entry-level and urban commuter segments due to their affordability and ease of maintenance.

Overall, the trend highlights the ongoing premiumization of the global e-bike industry, with consumers increasingly gravitating toward technologically advanced and performance-oriented e-bikes. While hub motors continue to dominate market volumes, mid-drive systems are capturing a growing share of industry value, reflecting higher average selling prices and increasing demand for premium electric mobility solutions.

Major players in the hub motor space

The global hub motor market for e-bikes is dominated by several key players, with China leading the charge through manufacturers like Bafang, MXUS, QS Motor, and Tongsheng. Certain suppliers from the Asia-Pacific region account for majority of global volumes. Europe also has notable contributors such as Bosch, Mahle, and Heinzmann, while Japan is represented by established technology giants like Shimano and Panasonic. In North America, Grin Technologies has carved a niche in the aftermarket and custom solutions space. These companies collectively support a wide range of applications, from lightweight city e-bikes to high-torque cargo and performance-oriented models.

Bafang, a dominant player offering versatile and widely adopted systems across all bike categories, and **MXUS**, known for cost-effective, high-torque rear hub motors popular in the aftermarket. **QS Motor** specializes in powerful hub motors for cargo and utility applications, while **Tongsheng** caters to budget-conscious users with basic hub motor solutions.

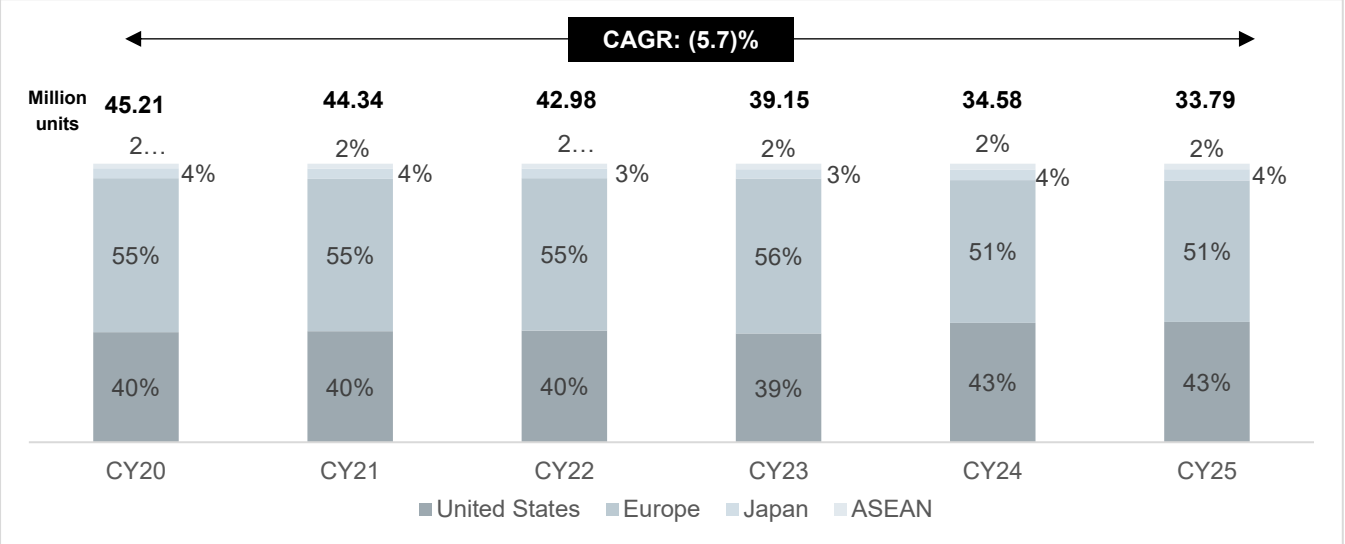
In Europe, **Bosch** and **Mahle** focus on integrated, high-quality systems — Bosch primarily on mid-drives with some hub motor applications, and Mahle on sleek, lightweight rear hub motors for urban and road bikes. **Heinzmann** provides industrial-grade hub motors for utility and fleet use.

From Japan, **Shimano** and **Panasonic** offer hub motors in select commuter and entry-level e-bikes. **Grin Technologies** in North America stands out in the DIY and custom conversion space with modular hub motor kits.

There are certain emerging players with good market presence whereas only limited companies provide comprehensive solutions to the e-bike market. On the other hand, certain entry-level players offer cost-effective customized solutions as well. Nevertheless, there are only a few players that provide fully integrated systems.

Bicycle industry trends in different geographies

Bicycle market volume share — by geography (CY20 to 25)



Notes: Above figures include bicycle market volumes for the US, Europe, Japan and ASEAN
Source: Mordor Intelligence, CRISIL Intelligence

The global bicycle industry continues to evolve in CY2025, driven by growing consumer focus on health, sustainability, and alternative modes of urban transportation. Rising traffic congestion, increasing environmental awareness, and government efforts to promote low-emission mobility have reinforced cycling as a practical and eco-friendly transportation option. At the same time, advancements in battery technology and the growing availability of electric bicycles (e-bikes) have expanded the appeal of cycling to a broader consumer base, including commuters, older riders, and recreational users seeking greater convenience and riding comfort.

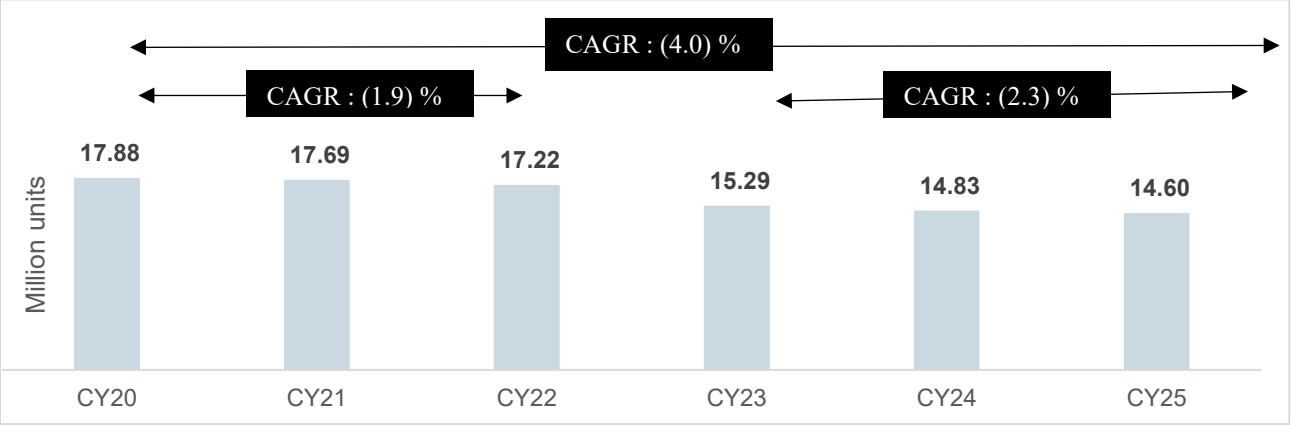
While the bicycle market experienced exceptional growth during the COVID-19 pandemic, the industry has since entered a phase of normalization. Nevertheless, cycling remains an important component of personal mobility and recreational activity across major markets. E-bikes have emerged as a key growth segment, steadily increasing their share of the overall bicycle market as consumers increasingly prioritize convenience, sustainability, and technology-enabled mobility solutions.

Regional market dynamics continue to vary. Europe remains the most developed e-bike market globally, supported by extensive cycling infrastructure, favorable regulations, and strong consumer acceptance of sustainable transportation. China continues to play a pivotal role in the global bicycle ecosystem as both a major manufacturing hub and one of the largest end markets, driven by widespread urban usage and a mature e-bike industry. North America is witnessing growing demand for premium bicycles and e-bikes, supported by increasing investments in cycling infrastructure and rising interest in outdoor recreation and commuter mobility. In Japan, demand is being supported by practical urban transportation needs and an aging population, with manufacturers focusing on efficient and user-friendly electric mobility solutions. Meanwhile, ASEAN represents a promising growth market, benefiting from rapid urbanization, rising disposable incomes, increasing environmental awareness, and ongoing investments in sustainable mobility infrastructure.

Going forward, the bicycle industry is expected to be increasingly shaped by the growth of e-bikes. While conventional bicycles are likely to remain the dominant segment in volume terms due to their affordability and accessibility, e-bikes are expected to account for a growing share of industry value. Supported by technological innovation, urban mobility trends, and continued investment in cycling infrastructure, the long-term outlook for the global bicycle industry remains positive, with both conventional bicycles and e-bikes expected to play complementary roles in the future of mobility and recreation.

United States

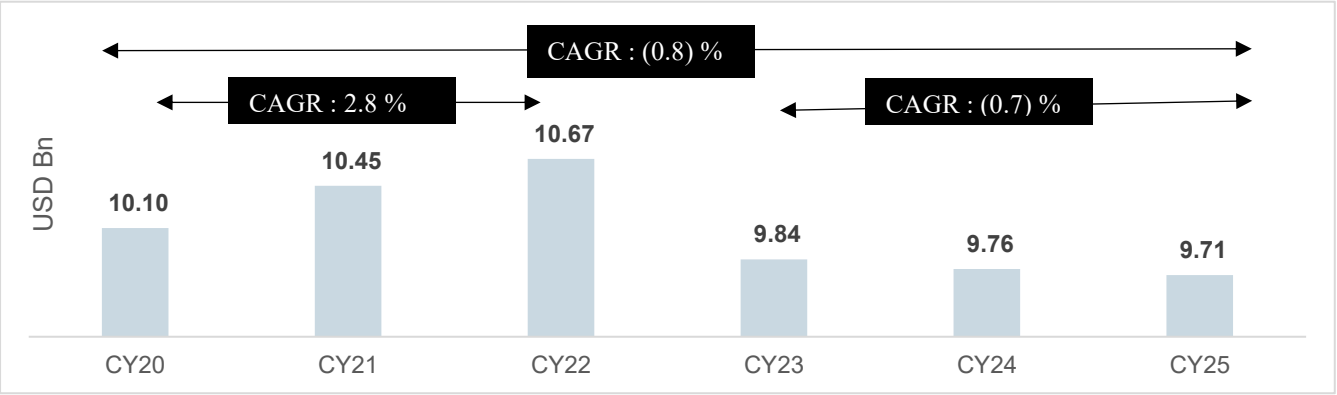
US — market volume (CY20 to 25)



Source: Mordor Intelligence, CRISIL Intelligence

The US bicycle market experienced a gradual decline between CY20 and CY25, with sales volumes decreasing from 17.88 million units to 14.6 million units, reflecting a CAGR of -4.0%. The decline was primarily due to the normalization of demand following the pandemic-driven cycling boom, although volumes remained supported by continued interest in recreation, fitness, and personal mobility. Despite lower overall volumes, growing e-bike adoption and increasing consumer preference for premium bicycles helped sustain industry value and support long-term market fundamentals.

US — market value (CY20 to 25)



Source: Mordor Intelligence, CRISIL INTELLIGENCE

The US bicycle market value remained relatively slow between CY20 and CY25, declining marginally from USD 10.1 billion to USD 9.71 billion, despite a sharper decline in sales volumes over the same period. Market value peaked at USD 10.67 billion in CY22, supported by strong demand for bicycles and e-bikes during the post-pandemic period. Although value moderated after CY22, the relatively stable trend reflects continued consumer spending on premium bicycles, accessories, and e-bikes, which helped offset volume declines and supported overall market value.

Several structural factors continue to support the long-term outlook of the industry. Cycling remains a popular option for recreation, fitness, and short-distance commuting, particularly in urban areas seeking sustainable transportation alternatives. The growing adoption of electric bicycles (e-bikes) has expanded the addressable customer base by attracting commuters, older

riders, and consumers seeking assisted mobility solutions, while also contributing disproportionately to industry value growth due to their higher average selling prices.

The pandemic-era cycling boom also had a lasting impact on consumer behavior. According to the U.S. Bureau of Transportation Statistics, spending on bicycles and accessories increased significantly following the pandemic, while bikeshare usage continued to grow across several major metropolitan areas. Additionally, federal, state, and local investments in cycling infrastructure, dedicated bike lanes, and active transportation initiatives have further strengthened the role of bicycles in urban mobility. As a result, although market volumes have normalized from pandemic highs, the US bicycle market continues to be supported by growing health consciousness, sustainability initiatives, and increasing consumer interest in alternative modes of transportation.

Major reasons for the boom —

- **Covid-19 pandemic:** Public health concerns, social distancing measures, and restrictions on indoor activities drove a surge in cycling for recreation, fitness, and personal mobility. The pandemic led to a sharp increase in bicycle demand, with market volumes rising from **17.88 million units in CY20**, while market value peaked at **USD 10.67 billion in CY22**.

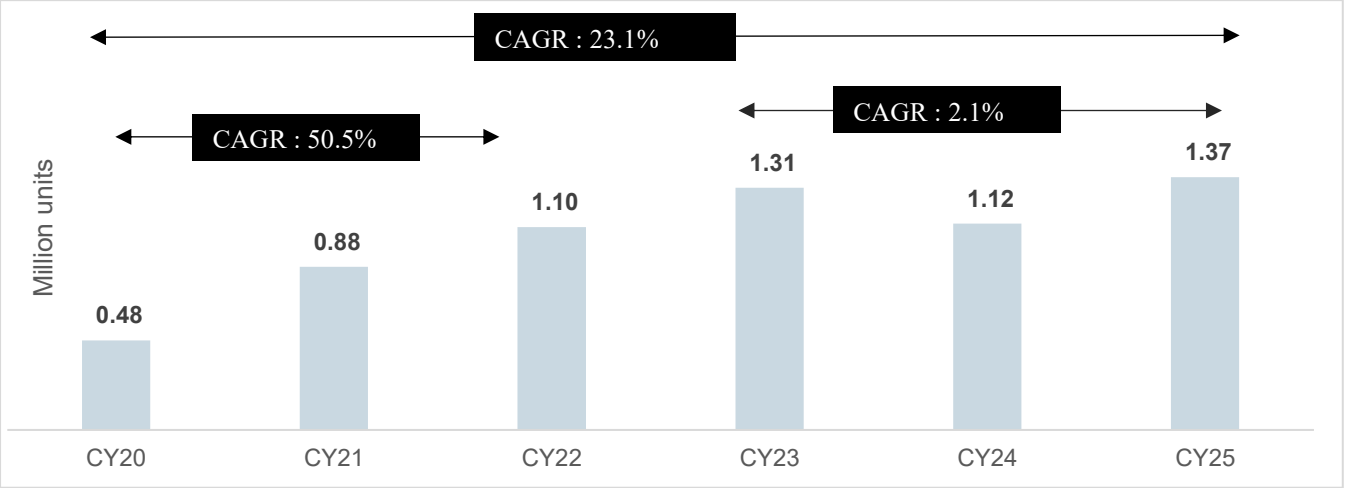
- **Increased focus on health and wellness:** Growing awareness regarding physical fitness and active lifestyles encouraged consumers to adopt cycling as a low-cost and accessible form of exercise. Cycling gained popularity across a broad demographic, including recreational riders and fitness enthusiasts.

- **Shift toward sustainable transportation:** Rising urban congestion, environmental awareness, and investments in cycling infrastructure increased the attractiveness of bicycles as an alternative mode of transportation for short-distance travel, particularly in metropolitan areas.

- **Growth of e-bikes:** Technological advancements, improved battery performance, and increasing consumer acceptance of electric mobility solutions contributed to the rapid growth of e-bikes. E-bikes expanded the addressable customer base by attracting commuters, older riders, and consumers seeking assisted mobility. Although e-bikes account for a relatively small share of total bicycle volumes, they have become a key contributor to market value growth due to their significantly higher average selling prices.

- **Lasting impact on consumer behaviour:** The pandemic-driven cycling boom contributed to sustained interest in bicycles and cycling-related products. Even as overall sales volumes normalized after CY22, market value remained above pre-pandemic levels, indicating a shift toward premium bicycles, accessories, and electric bicycles.

E-bike industry volumes in US (CY20 to 25)

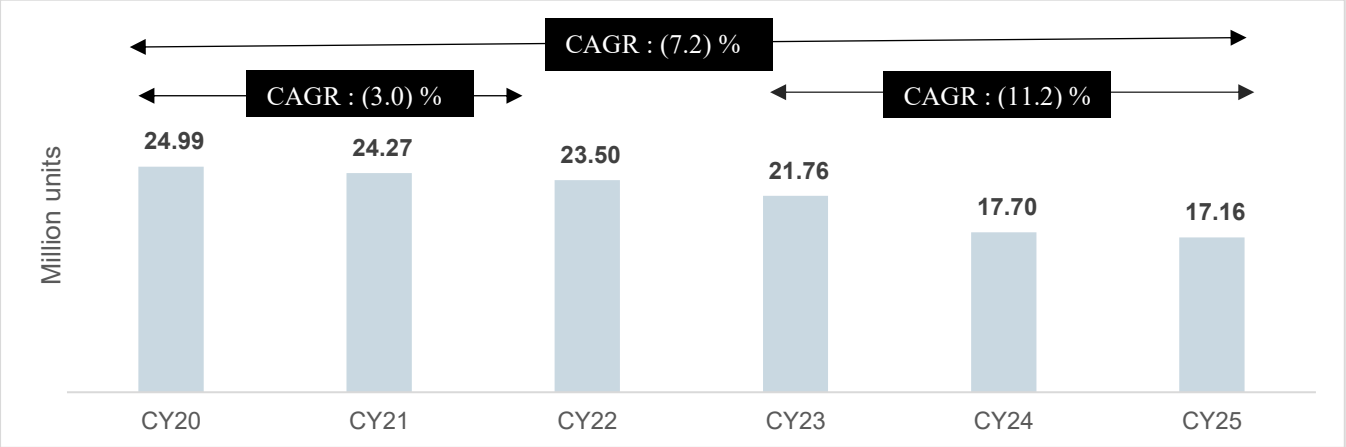


Source: Mordor Intelligence, CRISIL Intelligence

The US e-bike market witnessed strong growth between CY20 and CY25, with sales volumes increasing from 0.48 million units to 1.37 million units, reflecting a CAGR of 23.1%. Growth was driven by rising consumer preference for sustainable and convenient mobility solutions, increasing health and wellness awareness, and the growing popularity of cycling for both commuting and recreation. The COVID-19 pandemic further accelerated adoption as consumers sought alternatives to public transportation and outdoor fitness activities, contributing to a sharp increase in e-bike demand during CY20 to CY23. Continued advancements in battery technology, improved riding range, and the expanding availability of e-bike models across multiple price points also enhanced consumer adoption. As a result, e-bikes have emerged as one of the fastest-growing segments within the US bicycle industry, supported by growing acceptance among commuters, older riders, and recreational users seeking assisted mobility and greater riding convenience.

Europe

Europe — market volume (CY20 to 25)

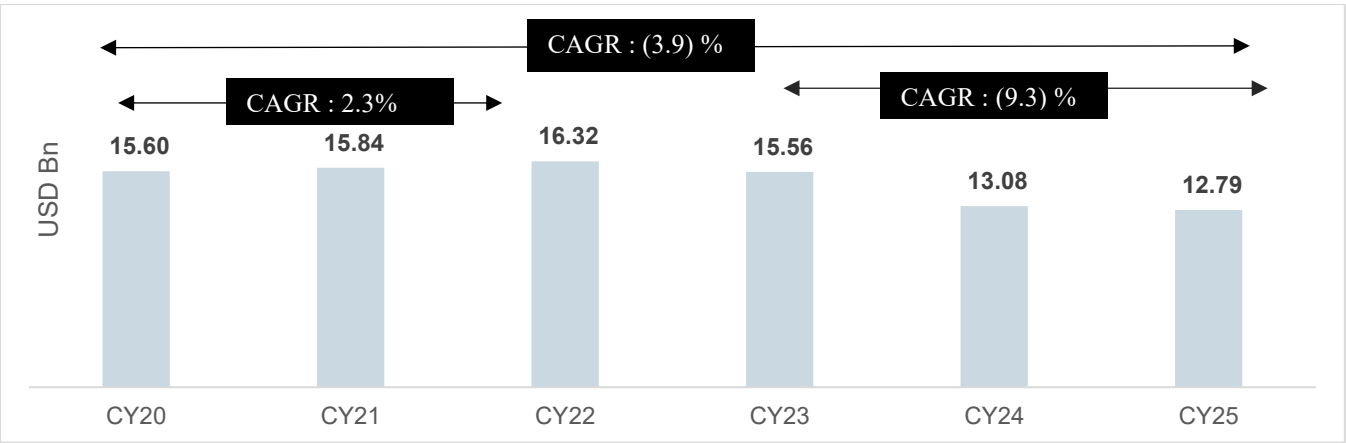


Source: Mordor Intelligence, CRISIL Intelligence

The European bicycle market witnessed a sharp correction between CY20 and CY25, with sales volumes declining from 24.99 million units to 17.16 million units, reflecting a CAGR of (7.2) %. Volumes decreased steadily throughout the period, primarily due to normalization following the pandemic-driven bicycle boom, when demand for cycling as a mode of recreation, fitness, and personal mobility surged across the region.

Despite the decline in volumes, Europe remained the world's largest bicycle market, supported by its strong cycling culture, extensive cycling infrastructure, and continued adoption of e-bikes. The sharper decline in conventional bicycle volumes compared with e-bikes also indicates an ongoing shift toward premium and electric bicycle segments, which continues to support the long-term growth prospects of the European bicycle industry.

Europe — market value (CY20 to 25)



Source: Mordor Intelligence, CRISIL Intelligence

The European bicycle market value declined from USD 15.6 billion in CY20 to USD 12.79 billion in CY25, reflecting a CAGR of (3.9) %, despite Europe remaining the world's largest bicycle market. Market value increased modestly through CY22, reaching USD 16.32 billion, supported by robust demand for bicycles and e-bikes. However, value declined sharply thereafter, primarily due to inventory correction, increased pricing pressure, and softer demand following the pandemic-led surge in bicycle purchases.

Despite the decline, the fall in value was less severe than the decline in volumes (-3.9% vs. -7.2% CAGR), highlighting the growing contribution of premium bicycles and e-bikes. Europe's strong cycling culture, extensive cycling infrastructure, and continued adoption of electric bicycles helped support average selling prices and partially offset the decline in overall sales volumes.

Major reasons for the boom —

- **Covid-19 pandemic:** Lockdowns, social distancing measures, and concerns over public transportation led to a surge in cycling for recreation, fitness, and personal mobility. This resulted in bicycle sales volumes increasing from 20.8 million units in CY19 to 25.0 million units in CY20, with market value continuing to rise through CY22.

- **Strong cycling culture:** Europe has one of the most mature cycling ecosystems globally, with cycling deeply embedded in daily transportation habits across countries such as the Netherlands, Germany, Denmark, and Belgium.

- **Government support for active mobility:** Several European governments expanded investments in cycling infrastructure, including dedicated bike lanes, bicycle parking facilities, and urban mobility programs aimed at reducing traffic congestion and transport-related emissions.

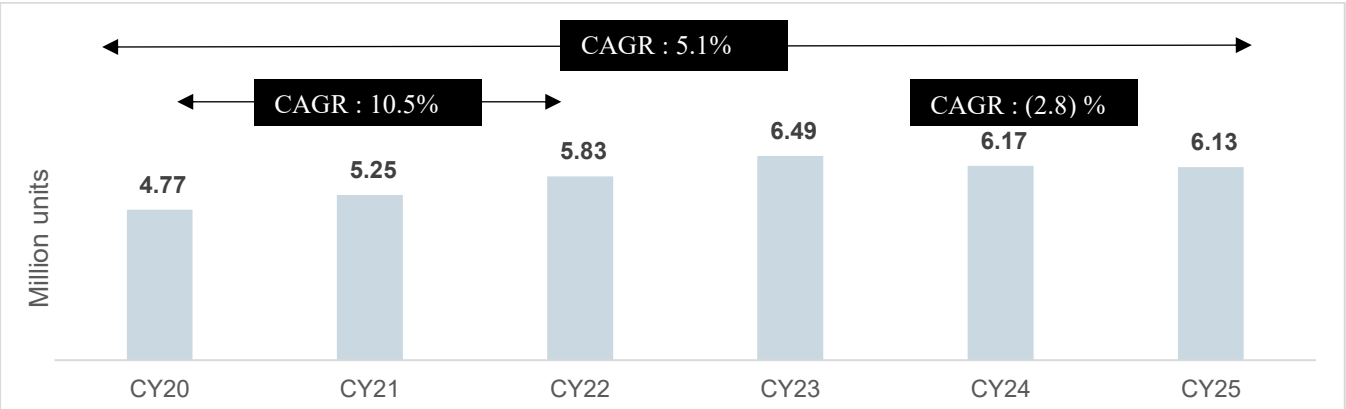
- **Growing focus on sustainability:** Increasing environmental awareness and ambitious decarbonization targets encouraged consumers to adopt bicycles as a low-emission mode of transportation, particularly for short-distance urban travel.

- **Rapid growth in e-bike adoption:** Europe emerged as the world's largest e-bike market during the period, driven by improving battery technology, government incentives in select countries, and growing consumer demand for convenient mobility solutions. E-bikes also support market value growth due to their higher average selling prices compared with conventional bicycles.

- **Rising fuel and transportation costs**: Higher fuel prices and increasing urban congestion enhanced the attractiveness of bicycles and e-bikes as cost-effective alternatives for commuting and daily travel.

- **Health and wellness awareness**: Growing focus on fitness and active lifestyles encouraged more consumers to adopt cycling as a recreational and exercise activity, further supporting demand during and after the pandemic.

E-bike industry volumes in Europe (CY20 to 25)



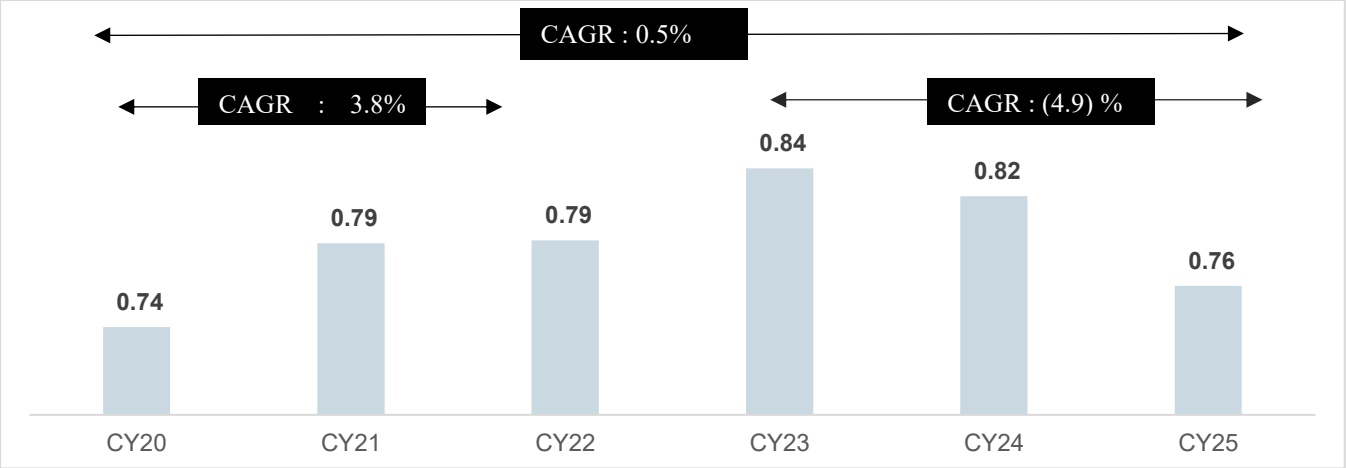
Source: Mordor Intelligence, CRISIL Intelligence

The European e-bike market demonstrated strong growth between CY20 and CY25, with sales volumes increasing from 4.77 million units to 6.13 million units, representing a CAGR of 5.1%. The market witnessed particularly rapid growth during CY20 to CY22, when volumes expanded at a CAGR of 10.5%, driven by increasing adoption of electric mobility solutions, rising environmental awareness, and supportive government policies promoting sustainable transportation. E-bike sales continued to grow beyond the pandemic period, reaching a peak of 6.49 million units in CY23, before stabilizing at around 6.17 to 6.13 million units during CY24 to CY25. E-bike usage in Europe surged, with market share rising from 19% in CY19 to 36% in CY25.

Japan

The Japanese bicycle market remained relatively stable between CY19 and CY25, supported by the country's well-established cycling culture and the continued use of bicycles for short-distance urban transportation. Unlike the sharp pandemic-driven fluctuations observed in the US and Europe, Japan's bicycle industry exhibited more moderate growth patterns, reflecting the market's maturity and already high levels of bicycle penetration. Bicycles continue to serve as an important mode of daily transportation, particularly in densely populated urban areas where convenience, affordability, and accessibility are key purchasing considerations.

E-bike industry volumes in Japan (CY20 to 25)



Source: Mordor Intelligence, CRISIL Intelligence

The Japanese e-bike market witnessed steady but relatively moderate growth between CY20 and CY25, with sales volumes increasing from 0.74 million units to 0.76 million units, representing a CAGR of 0.5%. Demand grew at a healthy pace during CY20 to CY21, supported by increasing preference for convenient urban mobility solutions and greater adoption of electrically assisted bicycles. However, growth moderated after CY23, with volumes declining slightly to 0.76 million units in CY25 as the market entered a more mature phase.

Several factors supported the growth of the Japanese e-bike market during the period:

- **Aging population:** Japan's aging demographic profile has been a key driver of e-bike adoption, with electrically assisted bicycles providing a convenient mobility solution for older consumers seeking greater riding comfort and reduced physical exertion.
- **Urban mobility needs:** High population density and compact urban environments have encouraged the use of e-bikes for short-distance commuting, shopping, and everyday transportation.
- **Established cycling culture:** Bicycles have long been integrated into Japan's transportation ecosystem, supporting steady demand for both conventional and electric bicycles.
- **Technological innovation:** Continuous improvements in battery technology, motor efficiency, safety features, and riding range have enhanced the appeal of e-bikes among a broad consumer base.
- **Strong domestic industry presence:** Leading manufacturers such as Yamaha, Panasonic, and Shimano have played an important role in driving product innovation and expanding the availability of high-quality electrically assisted bicycles.
- **Health and sustainability awareness:** Increasing focus on active lifestyles and environmentally friendly transportation has further supported the adoption of e-bikes as a practical alternative to conventional motorized transport.

Overall, while Japan's e-bike market is relatively mature compared with several high-growth markets, demand continues to be supported by favorable demographics, strong urban mobility requirements, and ongoing technological advancements in electrically assisted cycling solutions.

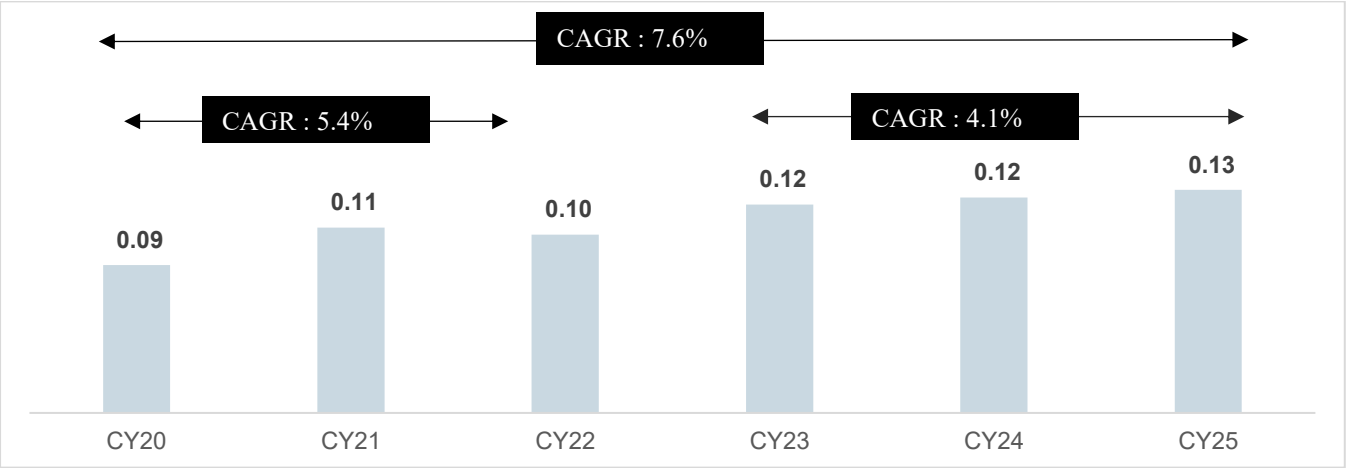
ASEAN

The ASEAN e-bike industry is still at a relatively early stage compared with more mature markets such as Europe, China, and Japan, but it is emerging as a promising growth segment driven by rapid urbanization, rising disposable incomes, and increasing awareness of sustainable mobility solutions. Growing traffic congestion in major cities has encouraged consumers to consider e-bikes as a practical option for short-distance commuting and daily transportation.

The industry is also benefiting from the region's broader push toward vehicle electrification, with countries such as Thailand, Indonesia, Vietnam, and Malaysia promoting electric mobility through policy support and investments in EV-related infrastructure. Additionally, improvements in battery technology, increasing product availability, and declining ownership costs have made e-bikes more accessible to consumers.

The expansion of e-commerce and last-mile delivery services has further supported demand, as e-bikes offer a cost-effective and efficient solution for urban logistics. While conventional bicycles continue to dominate the market, e-bikes are expected to gain traction over the long term, supported by favorable demographics, increasing environmental awareness, and the region's transition toward cleaner transportation solutions.

E-bike industry volumes in ASEAN (CY20 to 25)



Source: Mordor Intelligence, CRISIL Intelligence

The ASEAN e-bike market witnessed healthy growth between CY20 and CY25, with sales volumes increasing from 0.09 million units to 0.13 million units, representing a CAGR of 7.6%. Growth was particularly strong during CY20 to CY21, when volumes expanded at a CAGR of 5.4%, driven by rising urbanization, growing environmental awareness, and increasing interest in alternative mobility solutions. While growth moderated after CY21, the market continued to expand, reflecting the gradual acceptance of e-bikes across key ASEAN markets.

Major global bicycle manufacturers

Giant Manufacturing Co. Ltd. (Taiwan)

Founded in 1972 in Taichung, Taiwan, Giant is the world's largest bicycle manufacturer and one of the most vertically integrated players in the industry. The company operates a global manufacturing network with nine production facilities across Taiwan, China, the Netherlands, Hungary, and Vietnam, and sells its products through an extensive distribution network spanning more than 50 countries. Giant produces both its own branded bicycles and OEM products for other global bicycle brands

Merida Industry Co. Ltd. (Taiwan)

Established in 1972 in Yuanlin, Taiwan, Merida is one of the world's largest bicycle manufacturers and a major supplier of premium road, mountain, and electric bicycles. The company operates manufacturing facilities primarily in Taiwan and China and distributes products in over 70 countries through a global dealer network. Merida is also known for its long-standing focus on high-end bicycle engineering and product innovation.

Trek Bicycle Corporation (United States)

Founded in 1976 in Waterloo, Wisconsin, Trek has grown into the largest bicycle company in the United States. The company has offices in more than 20 countries, operates manufacturing and assembly facilities in Europe, and sells through thousands of independent bicycle dealers worldwide. Trek is particularly strong in performance road bikes, mountain bikes, and premium e-bikes.

Hero Cycles (India)

Founded in 1956 and headquartered in Ludhiana, Punjab, Hero Cycles is India's largest bicycle manufacturer and one of the world's leading bicycle companies. As per the Guinness Book of Records 1989, Hero Cycles was the world’s largest bicycle manufacturer in 1986, supported by various ancillary units. Hero Cycles exports its products to several international markets across Europe, Asia, the Middle East, and Africa, while continuing to strengthen its presence in premium and electric bicycle segments.

Over the years, the company has diversified its portfolio through strategic acquisitions and brand expansion initiatives, including Firefox Bikes, premium German e-bike brand HNF Nicolai, and UK-based Avocet Sports. These investments have enabled Hero Cycles to strengthen its presence in the premium cycling, performance bicycle, and electric mobility segments. The company's electric bicycle business operates under the Hero Lectro brand, which offers a range of urban, commuter, and recreational e-bikes.

Hero Cycles continues to focus on expanding its presence in the fast-growing e-bike segment through its Hero Lectro portfolio, which includes models such as the C Series, H Series, F Series, and MUV-E range. The company is leveraging its manufacturing scale, distribution network, and brand strength to capitalize on increasing consumer interest in sustainable mobility and electric bicycles.

Pon.Bike (Netherlands)

Headquartered in Amsterdam, Netherlands, Pon.Bike is one of the world's largest bicycle groups. The company owns more than 20 bicycle brands, including Cannondale, Cervélo, Gazelle, Santa Cruz, Kalkhoff, Urban Arrow, and Schwinn. Pon operates seven assembly sites globally and has manufacturing operations across Europe, North America, and South America, making it one of the most influential players in the global bicycle market.

Accell Group (Netherlands)

Founded in the Netherlands and headquartered in Heerenveen, Accell is one of Europe's leading bicycle manufacturers and the European market leader in e-bikes. The company owns brands such as Haibike, Winora, Batavus, Koga, Raleigh, Lapierre, and Sparta. Accell has manufacturing and assembly operations across the Netherlands, Germany, France, and other European markets.

In recent updates, Accell Group announced the commencement of insolvency proceedings after exploring multiple restructuring options. The organization has stated that its immediate focus is on ensuring an orderly transition with support from appointed administrators.

Yamaha Motor Co. Ltd. (Japan)

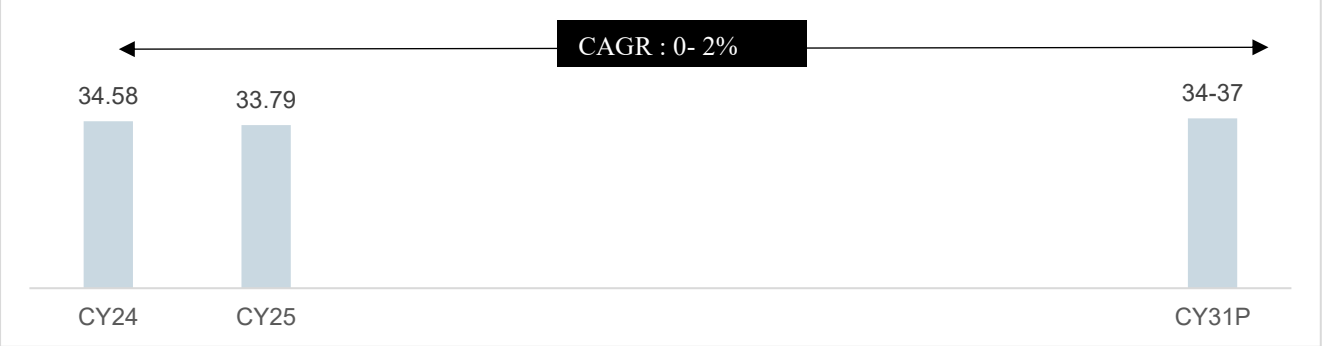
Headquartered in Iwata, Japan, Yamaha is widely regarded as a pioneer in electrically assisted bicycles. The company supplies e-bike drive systems to bicycle manufacturers worldwide and is known for its reliable mid-drive motor technology and extensive global production footprint.

Panasonic Cycle Technology (Japan)

Panasonic has been involved in electrically assisted bicycles for decades and is one of Japan's leading e-bike manufacturers. The company focuses primarily on urban mobility and commuter-oriented bicycles and leverages its expertise in battery technology and electronics to differentiate its products.

Outlook of the global bicycle industry (2026 to 2031)

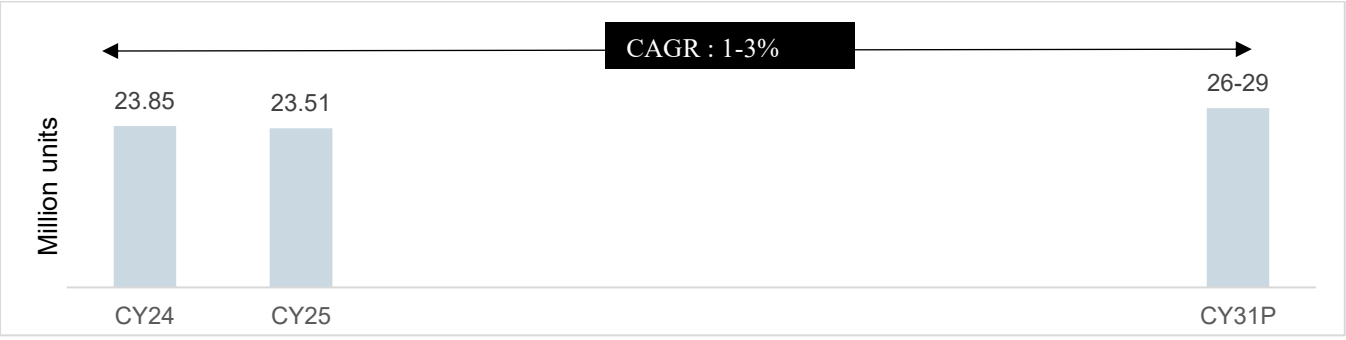
Outlook of bicycle market volume (CY24 to 31P)



Note: The above figures include bicycle market volumes for the US, Europe, Japan and ASEAN.
Source: Mordor Intelligence, CRISIL Intelligence

The global bicycle market is expected to remain relatively stable between CY24 and CY31P, with sales volumes projected to continue the trend of stability to slight growth from 34.58 million units in CY24 to approximately 34 to 37 million units by CY31P, reflecting a CAGR of around 0-2%. The moderation in growth follows the normalization of demand after the exceptional surge witnessed during the COVID-19 pandemic, which temporarily boosted bicycle sales across major markets.

Outlook of bicycle market value (CY24 to 31P)

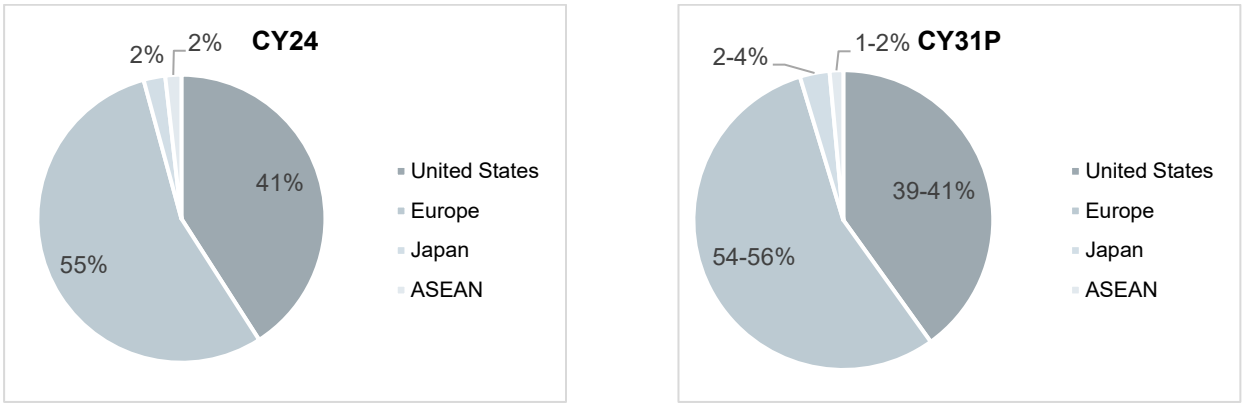


Note: The above figures include bicycle market volumes for the US, Europe, Japan and ASEAN.
Source: Mordor Intelligence, CRISIL Intelligence

The global bicycle market value is expected to remain relatively stable between CY24 and CY31P, increasing from USD 23.85 billion in CY24 to approximately USD 26 to 29 billion by CY31P, reflecting a modest CAGR of 1 to 3%. While overall bicycle sales volumes are projected to remain flat during the forecast period, market value is expected to be supported by the increasing adoption of premium bicycles and the growing contribution of e-bikes, which command significantly higher average selling prices than conventional bicycles.The industry is expected to benefit from long-term structural trends such as increasing health and wellness awareness, growing environmental consciousness, and rising demand for sustainable mobility solutions. Governments across several regions continue to invest in cycling infrastructure and active transportation initiatives, supporting the role of bicycles as both a recreational and practical mode of transportation. In addition, urban congestion, rising transportation costs, and changing consumer mobility preferences are expected to sustain demand for cycling-related products.

A key driver of value growth is expected to be the continued expansion of the e-bike segment. Advancements in battery technology, improved riding range, greater product availability, and increasing consumer acceptance are driving the adoption of e-bikes across both developed and emerging markets. As a result, although conventional bicycles are likely to remain dominant in volume terms, e-bikes are expected to account for a growing share of industry revenues, contributing to the gradual premiumization of the global bicycle market. Overall, despite modest volume growth prospects, the industry's value outlook remains positive, supported by product innovation, e-bike penetration, and the increasing focus on sustainable mobility.

Share of bicycle market by geography (in value terms) (CY24 to 31P)



Note: P – Projected
Source: Mordor Intelligence, CRISIL Intelligence

Europe is expected to remain the largest bicycle market in value terms throughout the forecast period, accounting for 55% of global market value in CY24 and 54 to 56% in CY31P. The region's dominant position is supported by a well-established cycling culture, extensive cycling infrastructure, strong e-bike adoption, and continued government support for sustainable mobility initiatives. Europe is also expected to benefit from increasing consumer preference for premium bicycles and e-bikes, which contribute significantly to overall market value.

The United States is projected to remain the second-largest market, although its share is expected to decline marginally from 41% in CY24 to 39 to 41% in CY31P. The market continues to benefit from growing interest in recreational cycling, health and wellness trends, and increasing adoption of e-bikes. However, comparatively slower growth than Europe and other emerging markets may result in a slight reduction in its share of global market value.

Japan is expected to account for a relatively stable share of approximately 2 to 4% of the global bicycle market by CY31P. Demand in the country is likely to be supported by its established cycling culture, urban mobility requirements, and continued adoption of electrically assisted bicycles, particularly among the aging population.

Meanwhile, ASEAN's share is projected to increase modestly from 2% in CY24 to 1 to 2% in CY31P, reflecting the region's growing importance within the global bicycle industry. Rising urbanization, increasing disposable incomes, expanding e-bike adoption, and investments in sustainable transportation infrastructure are expected to support market growth across key countries such as Indonesia, Thailand, Vietnam, and Malaysia.

Overall, the geographic mix indicates that while Europe and the United States will continue to dominate global bicycle market value, emerging markets such as ASEAN are expected to gain prominence over the forecast period, driven by favorable demographic trends and increasing adoption of alternative mobility solutions.

Environmental imperative: As environmental concerns take center stage, bicycles are emerging as a champion of sustainable transportation. Consumers are increasingly opting for eco-friendly cycling over traditional modes of transport such as cars and public transit. This trend is further amplified by government initiatives that promote cycling infrastructure and green commuting policies.

Health and wellness: The growing emphasis on health and wellness is putting bicycles back into the spotlight. The numerous benefits of cycling, from improved cardiovascular health to stress reduction, are widely recognized. This focus on well-being is making cycling an attractive option for a broader demographic.

Urban mobility solutions: Urbanization and the ever-present challenge of traffic congestion are creating fertile ground for bicycle adoption. Bicycles offer a faster and more efficient way to navigate crowded city streets, especially when considering rising fuel prices. For many urban dwellers, cycling is becoming not just a leisure activity, but also a practical and cost-effective transportation choice.

Technological revolution: Advancements in e-bike technology, battery life, and affordability are opening the door to a whole new segment of riders. E-bikes are no longer a niche product; they are becoming mainstream, making cycling accessible to those who might have previously found it too strenuous. This technological revolution is significantly expanding the market potential of the bicycle industry.

Investment surge: The cycling industry is attracting significant investor interest, leading to a surge in funding for innovative products and the expansion of retail networks. This influx of capital will fuel the development of new technologies, materials and design approaches, pushing the boundaries of the cycling experience.

However, a major reason for the growth is the evolution of e-bikes in many markets globally as consumer acceptance of e-bikes increases, thus supporting the bicycle industry to grow in terms of both volume and value. Following are some of the trends that the industry is experiencing and may continue to do so in the coming years, backed by technological advancements at regular intervals:

E-bike boom: The industry is bracing for an e-bike boom. E-bikes are expected to be the primary driver of growth, with sales projected to surpass traditional bicycles in some regions. The convenience and accessibility of e-bikes are a game changer, attracting riders of all ages and fitness levels.

Premiumization takes the lead: Consumers are no longer satisfied with basic bicycles. There is a growing demand for high-quality bicycles with advanced features and top-of-the-line components. This trend towards premiumization indicates a shift in how people perceive cycling, from a utilitarian mode of transport to a valued leisure activity and fitness tool.

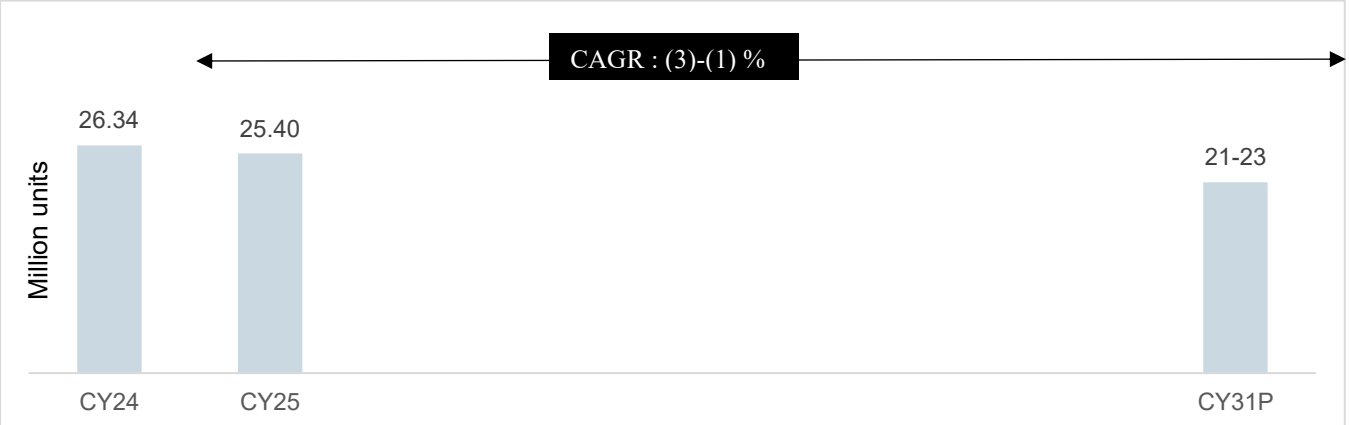
Direct-to-consumer (D2C) revolution: The rise of online platforms is disrupting the traditional brick-and-mortar retail model. D2C sales are expected to continue their upward trajectory, offering consumers more choice, competitive pricing, and potentially a more convenient shopping experience.

Data-driven cycling: Cycling is about getting a digital upgrade. The integration of sensors and connected technologies will transform bicycles into data-driven machines. Users can track their performance, navigate unfamiliar routes, and receive real-time maintenance alerts through their connected bike.

Outlook of global bicycle industry by product type (CY24 to 31P)

Conventional type

Outlook of conventional type bicycle by volume units (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

The conventional bicycle segment is expected to witness a gradual decline between CY24 and CY31P, with sales volumes projected to decrease from 26.34 million units in CY24 to 21 to 23 million units by CY31P, reflecting a negative CAGR of 1 to 3%. The decline is primarily driven by the increasing adoption of electric bicycles (e-bikes), which are gaining popularity as a convenient and technologically advanced mobility solution for both commuting and recreational purposes.

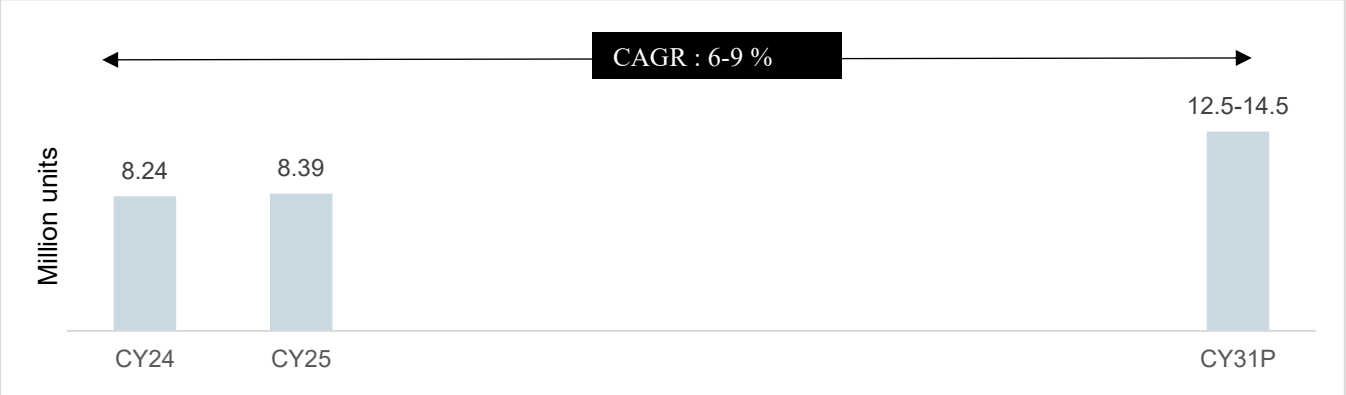
While conventional bicycles will continue to account for the majority of global bicycle sales due to their affordability, accessibility, and widespread use in recreational and fitness activities, consumer preferences are gradually shifting toward e-bikes, particularly in developed markets. Advancements in battery technology, expanding cycling infrastructure, and growing demand for assisted mobility among urban commuters and aging populations are further accelerating this transition.

Additionally, the bicycle industry has largely normalized following the pandemic-driven demand surge witnessed during CY20 to CY22, reducing the exceptional volume levels seen in previous years. As a result, conventional bicycles are expected to face

volume pressure over the forecast period, although demand will continue to be supported by health and wellness trends, recreational cycling, and cost-conscious consumers. Overall, the segment is likely to remain an important part of the global bicycle industry, but its share of total bicycle sales is expected to decline gradually as e-bikes gain greater market acceptance.

Electric type

Outlook of E-bicycle by volume units (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

The global e-bike market is expected to be the primary growth driver within the bicycle industry during CY24 to CY31P, with sales volumes projected to increase from 8.24 million units in CY24 to 12.5 to 14.5 million units by CY31P, reflecting a healthy CAGR of 6 to 9%. Growth is expected to be driven by increasing consumer preference for sustainable and convenient mobility solutions, particularly in urban environments where traffic congestion and rising transportation costs continue to encourage alternative modes of travel.

Several structural factors are expected to support e-bike adoption over the forecast period. Continued advancements in battery technology, motor efficiency, riding range, and connectivity features are enhancing the performance and appeal of e-bikes across a broader consumer base. In addition, growing environmental awareness and government initiatives promoting low-emission transportation are encouraging consumers to shift toward electric mobility solutions.

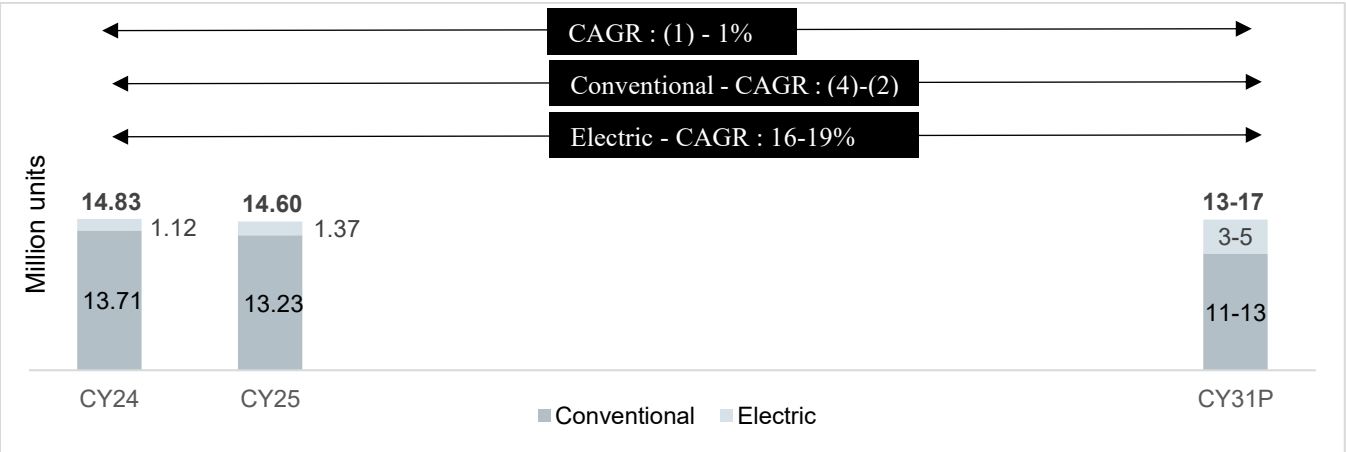
The market is also benefiting from changing demographic and mobility trends. E-bikes are increasingly being adopted by commuters, older riders, and recreational users seeking assisted mobility and greater riding comfort. Their ability to cover longer distances with less physical effort has expanded the addressable market beyond traditional cycling enthusiasts. Furthermore, the expansion of cycling infrastructure, including dedicated bike lanes and urban mobility programs, is expected to support long-term growth in e-bike usage.

Overall, while conventional bicycle volumes are projected to decline gradually, e-bikes are expected to gain an increasing share of the global bicycle market. As a result, industry is likely to witness continued premiumization, with e-bikes contributing a growing proportion of market value and shaping the future growth trajectory of the global bicycle industry.

Outlook of global bicycle industry by geography (CY24 to 31P)

US

Outlook of US bicycle industry by volume units (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

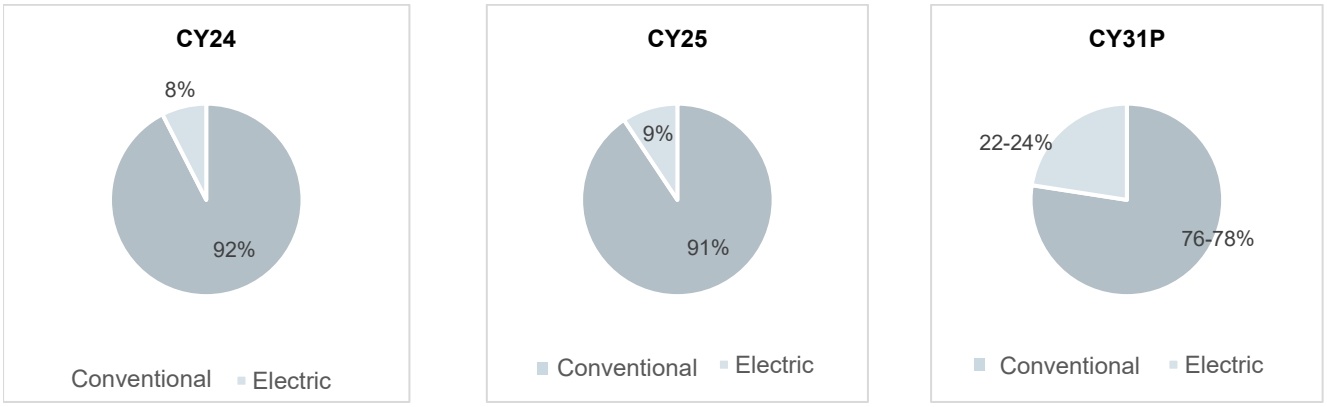
The US bicycle market is expected to remain relatively stable to a slight growth between CY24 and CY31P, with total sales volumes projected to remain around 13 to 17 million units, indicating a slight increase to marginally declining CAGR of (1) to

1%. While the industry has largely normalized following the pandemic-driven surge in demand, long-term fundamentals such as growing health awareness, recreational cycling, and increasing interest in sustainable mobility are expected to support overall market demand.

A notable shift is expected within the product mix. Conventional bicycle volumes are projected to decline from 13.71 million units in CY24 to approximately 11 to 13 million units by CY31P, reflecting market maturity and increasing consumer preference for technologically advanced mobility solutions. In contrast, e-bike volumes are expected to grow significantly from 1.12 million units in CY24 to approximately 3 to 5 million units by CY31P with an expected CAGR of 16 to 19%, supported by improvements in battery technology, expanding product availability, and rising adoption among commuters, older riders, and recreational users — while the conventional bicycle market stood at 13.71 million units expected to reach 11 to 13 million units with a CAGR of (4) to (2) %.

As a result, although overall market volumes are expected to remain largely unchanged, the US bicycle industry is likely to undergo a gradual transformation toward electrification. The growing popularity of e-bikes is expected to offset the decline in conventional bicycle sales, drive premiumization within the industry, and contribute an increasingly larger share of overall market value during the forecast period.

Break-up of market share by product type in US (in volume terms)

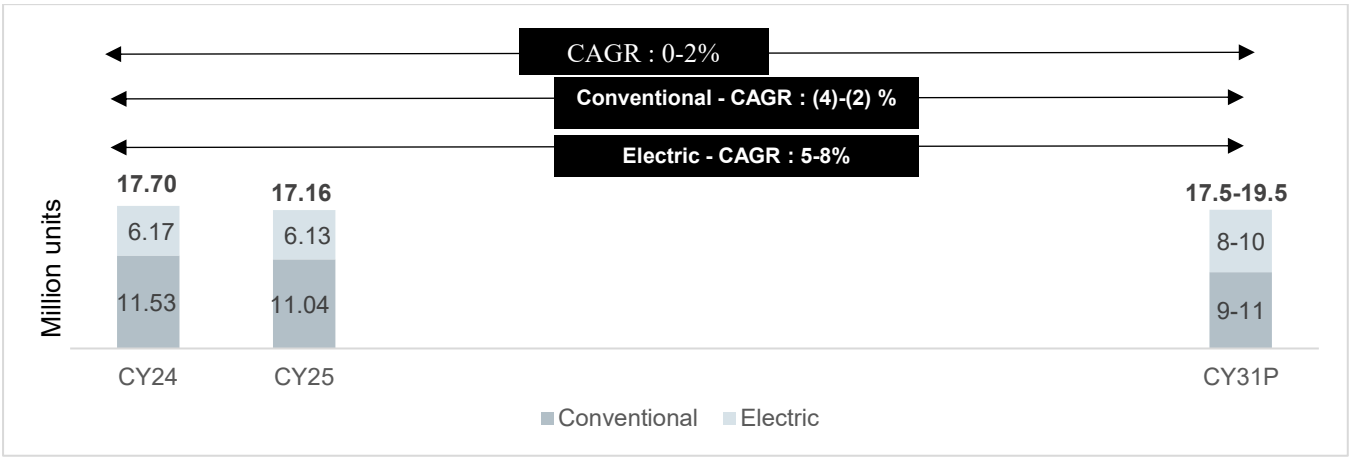


Source: Mordor Intelligence, CRISIL Intelligence

The US bicycle market is expected to witness a gradual shift in its product mix between CY24 and CY31P, with e-bikes steadily gaining share at the expense of conventional bicycles. Conventional bicycles are projected to account for 92% of total bicycle sales volumes in CY24, declining to 76 to 78% by CY31P, while the share of e-bikes is expected to increase from 8% to 22-24% during the same period.

Europe

Outlook of Europe bicycle industry by volume units (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

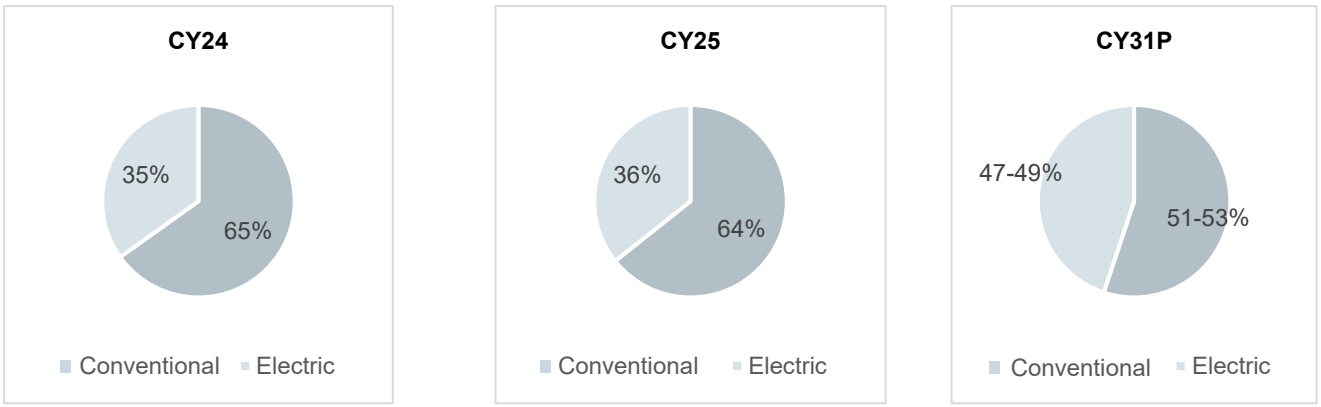
The European bicycle market is expected to remain relatively stable between CY24 and CY31P, with total sales volumes projected to remain around 17.5 to 19.5 million units, reflecting a flat to slight growth CAGR of 0-2%. While the market has normalized following the pandemic-driven demand surge, long-term demand is expected to remain supported by Europe's strong cycling culture, well-developed cycling infrastructure, and continued focus on sustainable transportation. In the global E-bikes market, Europe is leading the market with a share of approximately 73% in CY25.

However, a significant shift is expected within the product mix. Conventional bicycle volumes are projected to decline from 11.53 million units in CY24 to 9 to 11 million units by CY31P with a CAGR of (4) to (2)%, reflecting market maturity and the

growing preference for electric bicycles. In contrast, e-bike volumes are expected to increase from 6.17 million units to approximately 8 to 10 million units during the same period with a CAGR of 5 to 8%, supported by rising consumer demand for convenient and assisted mobility solutions, particularly for commuting and longer-distance travel.

The shift toward e-bikes is expected to be driven by continued investments in cycling infrastructure, increasing environmental awareness, supportive government policies promoting low-emission transportation, and ongoing advancements in battery and motor technologies. As a result, although overall bicycle industry volumes are expected to remain largely unchanged, the European market is likely to witness continued electrification, with e-bikes accounting for an increasingly larger share of total bicycle sales and industry value over the forecast period.

Break-up of market share by product type in Europe (in volume terms)

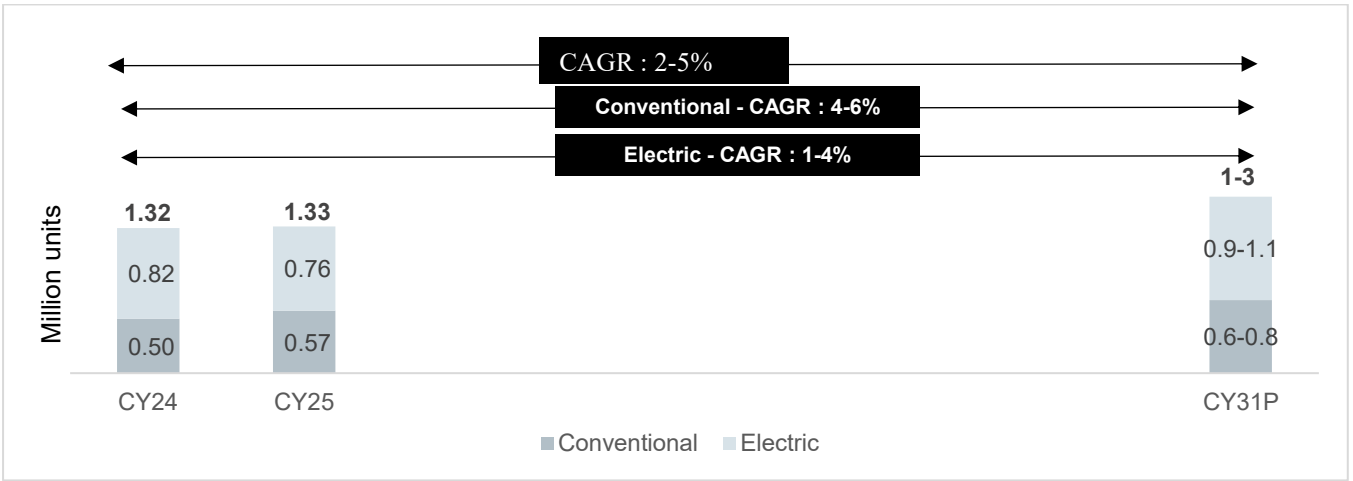


Source: Mordor Intelligence, CRISIL Intelligence

The European bicycle market is expected to witness a notable shift in its product mix between CY24 and CY31P, with e-bikes continuing to gain share from conventional bicycles. Conventional bicycles are projected to account for approximately 65% of total bicycle sales volumes in CY24, declining to around 51 to 53% by CY31P, while the share of e-bikes is expected to increase from 35% to 47 to 49% during the same period.

Japan

Outlook of Japan bicycle industry by volume units (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

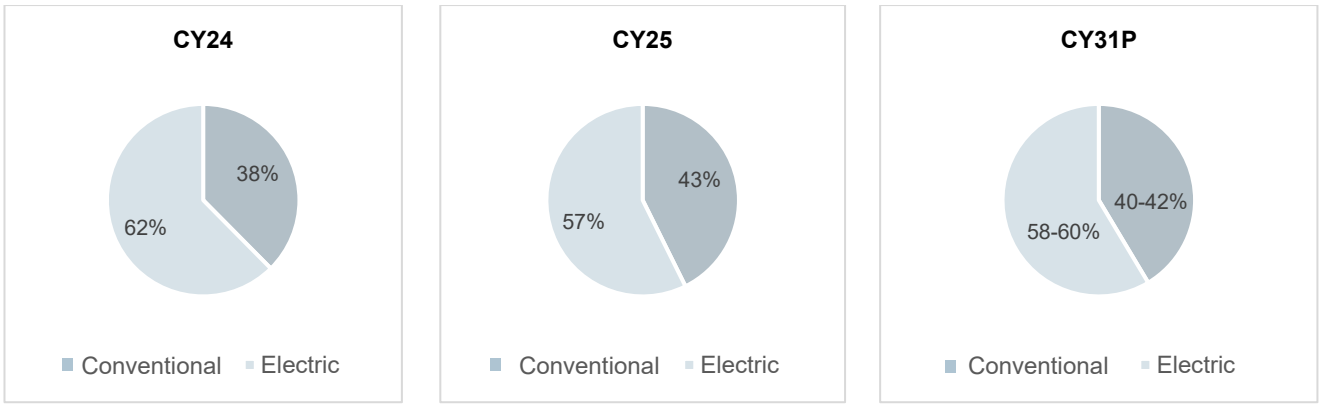
The Japanese bicycle market is expected to witness moderate growth between CY24 and CY31P, with total sales volumes projected to increase from 1.32 million units in CY24 to 1 to 3 million units by CY31P, reflecting a CAGR of 2 to 5%. Unlike other mature bicycle markets where overall volumes are expected to remain flat or decline slightly, Japan is expected to benefit from growing demand for electrically assisted bicycles, supported by favorable demographic trends and urban mobility needs.

The growth is expected to remain equal for conventional and the e-bike segment, with sales volumes projected to increase from 0.82 million units in CY24 to 0.9-1.1 million units by CY31P with a CAGR of 1-4% for e-bikes. Electrically assisted bicycles have gained significant popularity in Japan due to the country's aging population, compact urban environments, and strong preference for convenient transportation solutions. Continuous improvements in battery technology, riding range, and product reliability are also expected to support adoption among commuters and elderly consumers.

Meanwhile, conventional bicycle volumes are projected to increase from 0.5 million units in CY24 to 0.5-0.7 million units by CY31P with a CAGR of 4-6%, supported by Japan's well-established cycling culture and the continued use of bicycles for short-distance urban transportation. However, growth in this segment is expected to be more moderate compared with e-bikes.

Overall, the Japanese bicycle industry is expected to remain relatively stable and mature, with future growth increasingly supported by electric bicycles. The continued shift toward electrically assisted mobility solutions is likely to strengthen Japan's position as one of the more advanced bicycle markets in Asia, while supporting gradual industry expansion through CY31P.

Break-up of market share by product type in Japan (in volume terms)

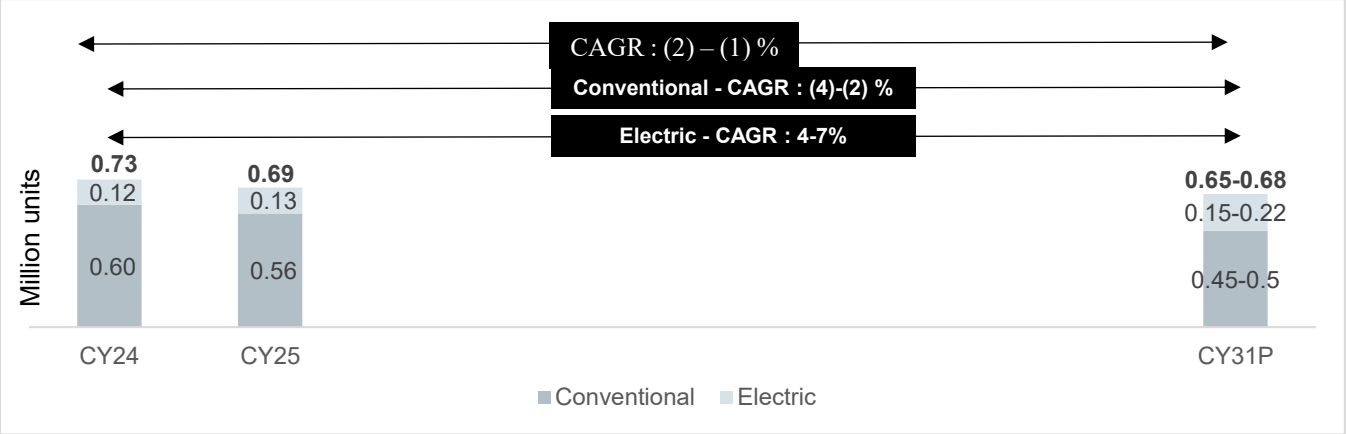


Source: Mordor Intelligence, CRISIL Intelligence

The Japanese bicycle market is expected to maintain a relatively stable product mix between CY24 and CY31P, with e-bikes continuing to account for the majority of sales volumes. E-bikes are projected to represent approximately 62% of total bicycle sales in CY24, increasing marginally to around 58 to 60% by CY31P, while conventional bicycles are expected to account for the remaining 40 to 42% of the market.

ASEAN

Outlook of ASEAN bicycle industry by volume units (CY24 to 31P)



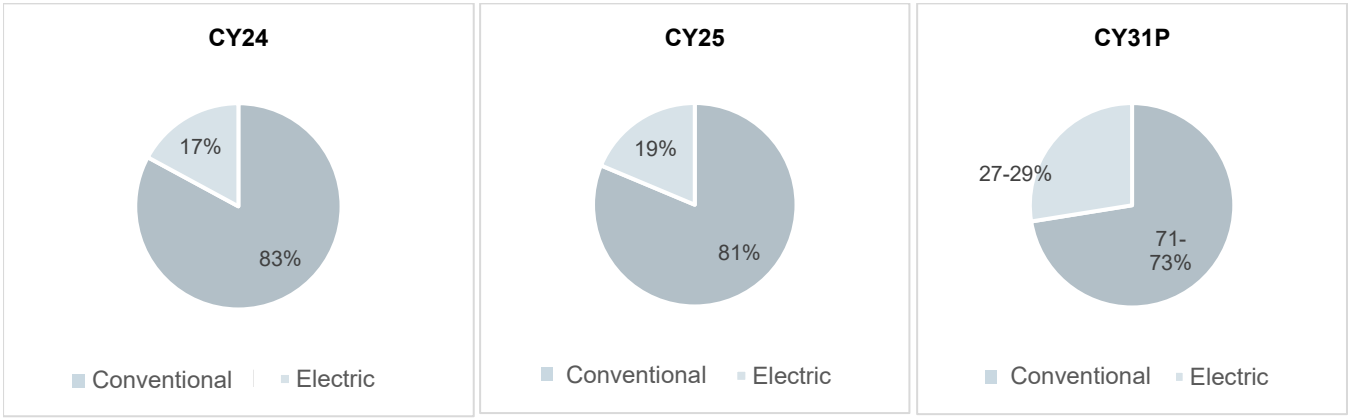
Source: Mordor Intelligence, CRISIL Intelligence

The ASEAN bicycle market is expected to witness a gradual decline between CY24 and CY31P, with total sales volumes projected to decrease from 0.73 million units in CY24 to 0.65 to 0.68 million units by CY31P, reflecting a negative CAGR of 1 to 2%. The decline is primarily attributable to the continued moderation of demand following the pandemic-led surge in cycling activity, coupled with increasing competition from alternative mobility solutions across the region.

Despite the decline in overall market volumes, the product mix is expected to shift gradually toward electric bicycles. Conventional bicycle volumes are projected to decrease from 0.60 million units in CY24 to 0.45 to 0.5 million units by CY31P with a CAGR of (4) to (2) %, while e-bike volumes are expected to grow from 0.12 million units to 0.15 to 0.22 million units over the same period with a CAGR of 4 to 7%. Growth in the e-bike segment is expected to be supported by rising urbanization, increasing traffic congestion in major cities, growing environmental awareness, and government initiatives promoting electric mobility across markets such as Indonesia, Thailand, Vietnam, and Malaysia.

Although conventional bicycles are expected to remain the dominant segment due to their affordability and widespread use for recreation and basic transportation, e-bikes are likely to gain traction as consumers increasingly seek convenient and sustainable mobility solutions. As a result, while the overall ASEAN bicycle market is expected to contract modestly, growing e-bike penetration is expected to partially offset the decline in conventional bicycle sales and contribute to the gradual evolution of the region's bicycle industry.

Break-up of market share by product type in ASEAN (in volume terms)



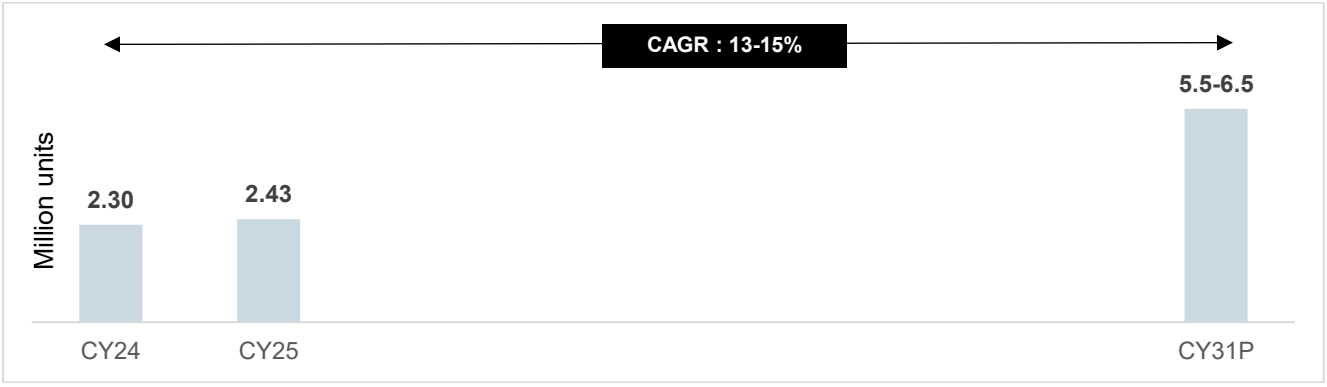
Source: Mordor Intelligence, CRISIL Intelligence

The ASEAN bicycle market is expected to witness a gradual shift in its product mix between CY24 and CY31P, with e-bikes gaining share despite an overall decline in market volumes. Conventional bicycles are projected to remain the dominant segment, accounting for 83% of total bicycle sales volumes in CY24, although their share is expected to decline to 71 to 73% by CY31P. In contrast, the share of e-bikes is forecast to increase from 17% in CY24 to 27 to 29% by CY31P, highlighting the growing acceptance of electric mobility solutions across the region.

Outlook of global bicycle industry by motor type (CY24 to 31P)

Mid-drive motor

Outlook of motor-drive motor volume (CY24 to 31P)



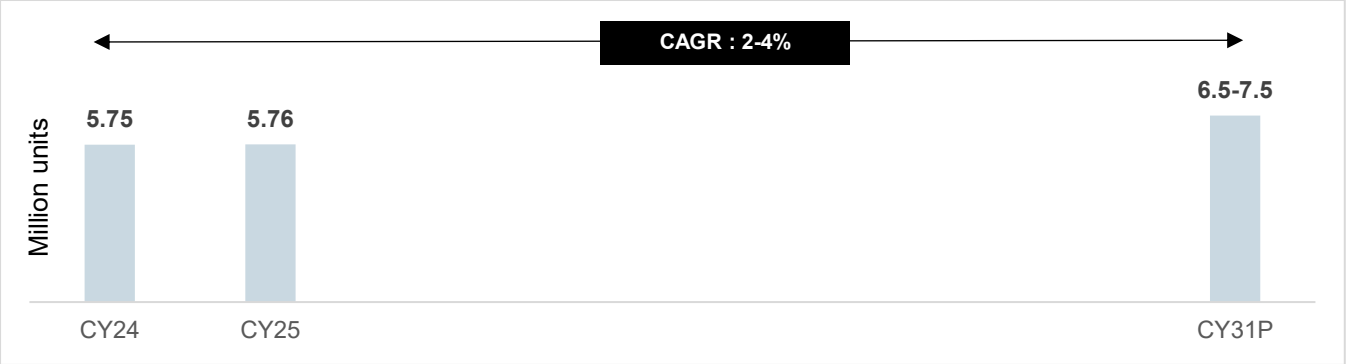
Source: Mordor Intelligence, CRISIL Intelligence

The mid-drive motor e-bike segment is expected to witness strong growth between CY24 and CY31P, with sales volumes projected to increase from 2.30 million units in CY24 to 5.5 to 6.5 million units by CY31P, reflecting a robust CAGR of 13 to 15%. Growth is expected to significantly outpace the overall e-bike market, highlighting the increasing consumer preference for premium and performance-oriented electric bicycles.

The growth of mid-drive systems is primarily driven by their superior riding dynamics, higher torque output, better weight distribution, and improved efficiency, making them particularly suitable for trekking, mountain, cargo, and premium urban e-bikes. As consumers increasingly prioritize riding experience, performance, and longer-range capabilities, mid-drive motors are gaining popularity despite their higher prices compared with hub motor systems.

Hub motor

Outlook of motor-drive motor volume (CY24 to 31P)



Source: Mordor Intelligence, CRISIL Intelligence

The hub motor segment is expected to maintain its leadership position in the global e-bike market through CY31P, with sales volumes projected to increase from 5.75 million units in CY24 to 6.5 to 7.5 million units by CY31P, reflecting a CAGR of 2 to 4%. Although growth is expected to be slower than that of mid-drive motors, hub motors are likely to remain the most widely adopted motor technology due to their affordability, simplicity, and suitability for mass-market e-bike applications.

Hub motors continue to be preferred in urban commuters, utility, and entry-level e-bikes, where cost-effectiveness and ease of maintenance are key purchasing considerations. Their compact design and lower production costs make them particularly attractive in price-sensitive markets, supporting broad adoption across both developed and emerging economies. In addition, hub motor systems have benefited from continuous improvements in efficiency, reliability, and battery integration, enhancing their appeal for everyday mobility applications.

2. REVIEW OF THE INDIAN BICYCLE INDUSTRY

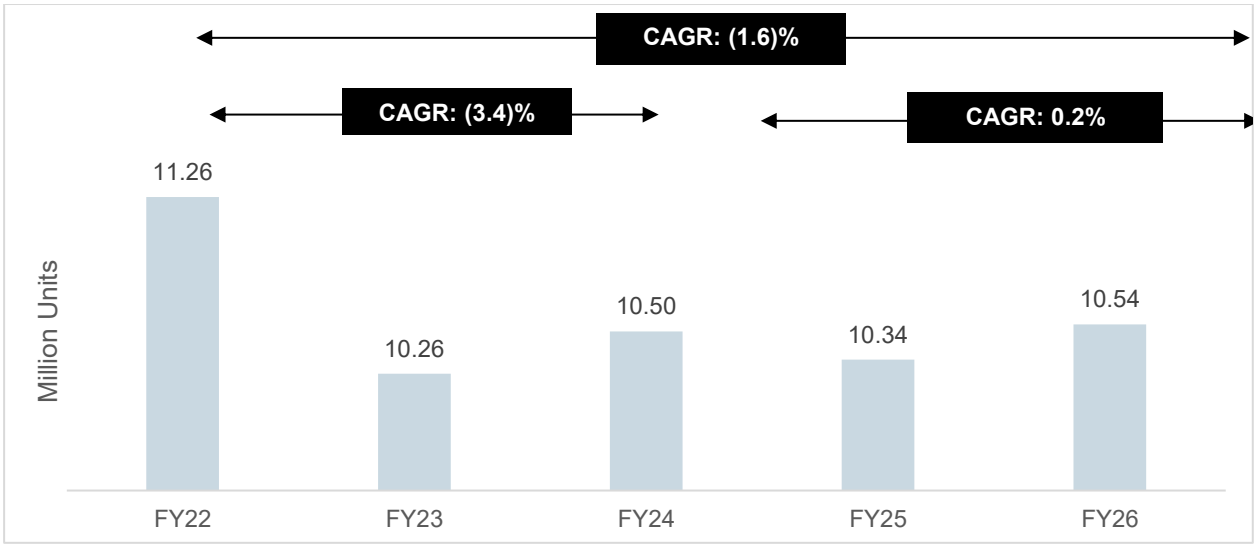
Review of the Indian bicycle industry (fiscals 2022 to 2026)

The Indian bicycle industry continues to be driven by its fundamental strengths of affordability, accessibility and practicality. Bicycles remain an essential mode of transport for millions of consumers, particularly in rural and semi-urban regions, where they serve as a cost-effective solution for daily commuting, education, small-business activities and last-mile connectivity. While urban demand has moderated from the pandemic-induced peak levels, bicycles continue to enjoy relevance as consumers increasingly recognize their benefits in terms of health, fitness and environmentally sustainable mobility. Moreover, premium and sports bicycles are witnessing growing acceptance among urban consumers seeking recreational and fitness-oriented products.

Looking ahead, the industry is expected to witness gradual growth supported by rising health consciousness, increasing focus on sustainable transportation and growing interest in cycling as a recreational activity. The electric bicycle segment is emerging as a key growth driver, benefiting from rising fuel costs, improvements in battery technology and increasing consumer awareness of eco-friendly mobility solutions. Although e-bicycles currently account for a relatively small share of the overall market, their adoption is steadily increasing, particularly in urban commuting and last-mile delivery applications. At the same time, manufacturers are focusing on product innovation through lightweight designs, enhanced durability, smart connectivity features and premium styling to cater to evolving consumer preferences. These developments are expected to support the industry's transition from a predominantly utility-driven market to one that increasingly incorporates lifestyle, fitness and technology-oriented segments.

Historical production development (fiscal 2022 to 2026)

Review of Indian bicycle (conventional) industry's sales volume



Source: Mordor Intelligence, CRISIL Intelligence

Between fiscals 2022 and 2026 the Indian bicycle industry's sales volume logged a negative CAGR of 1.6%. It reached 10.54 million units in fiscal 2026. The fluctuation in sales largely reflects the normalization of demand after the pandemic-led surge witnessed during fiscal 2021 and 2022. During the pandemic, bicycles experienced unusually high demand owing to health and fitness concerns, restrictions on public transportation and growing preference for individual mobility solutions. As normalcy returned, replacement demand weakened and inventories across the distribution channel remained elevated, affecting fresh purchases.

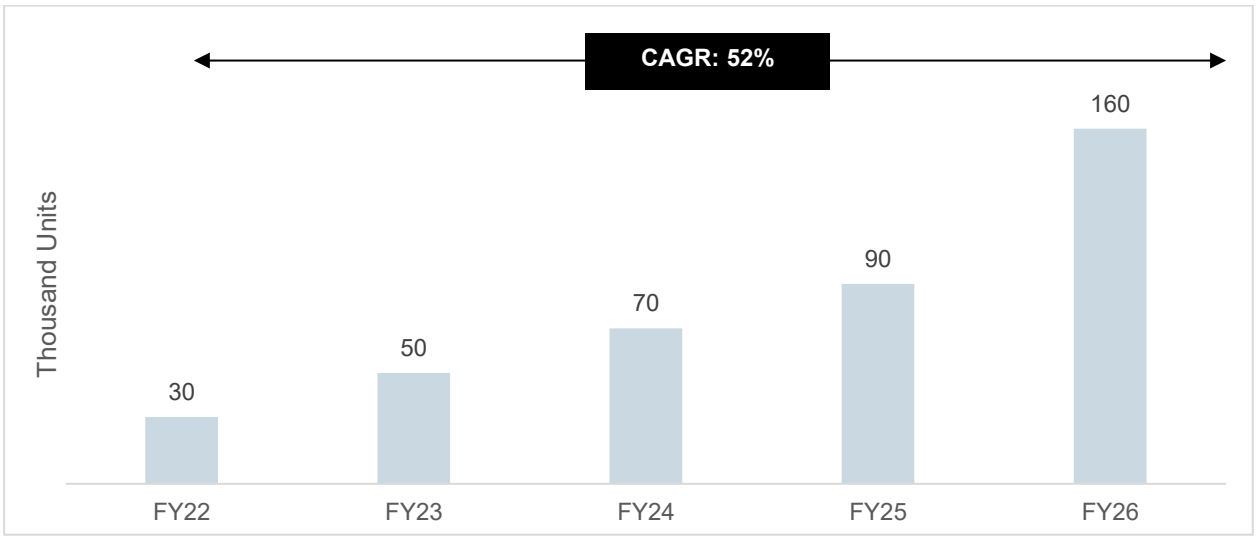
Additionally, inflationary pressures and rising household expenditure on essential categories reduced discretionary spending in several consumer segments during fiscal 2023 and 2025. Demand in rural markets also remained impacted by uneven income growth and weather-related uncertainties. Nevertheless, bicycles continue to be an affordable transportation alternative, particularly in rural and semi-urban India, supporting volume stability. The recovery in fiscal 2026 is likely to be driven by improving consumer sentiment, increasing fitness awareness and growth in recreational cycling activities.

Electrification in bikes

The Indian bicycle industry continues to witness gradual electrification, although conventional bicycles remain the dominant segment. Rising fuel costs, increasing environmental awareness and growing interest in sustainable mobility solutions have contributed to the steady adoption of electric bicycles across select urban markets. E-bikes are gaining traction among commuters, fitness enthusiasts and last-mile delivery operators due to their lower operating costs, ease of use and ability to cover longer distances with minimal physical effort.

Advancements in battery technology, improved product design and enhanced riding performance have further strengthened the value proposition of electric bicycles. In addition, manufacturers are expanding their product portfolios to cater to diverse customer segments, ranging from recreational riders to urban commuters. While the e-bicycle market is still relatively small compared with the conventional bicycle segment, sales have been growing at a significantly faster pace and are expected to continue an upward trajectory over the long term.

Review of electric bicycles in the Indian bicycles industry



Note: The above figures include domestic and export sale volume

Source: Mordor Intelligence, CRISIL Intelligence

Electric bicycles continue to represent a relatively small segment within the Indian bicycle industry, primarily due to the higher upfront cost compared with conventional bicycles and the price-sensitive nature of the domestic market. E-penetration has hovered at 0.3 to 1.5% between fiscals 2022 and 2026.

The e-bicycle segment is growing at a considerably faster pace than the conventional bicycle market owing to its ability to combine convenience, affordability and eco-friendliness. By providing pedal assistance, e-bicycles reduce rider effort and enable users to travel longer distances with greater comfort, making them suitable for urban commuting, recreational cycling and last-mile delivery applications. As industry innovates, several other factors can help drive e-bike's growth. These include the following:

Rising fuel costs and demand for affordable mobility

Persistently elevated fuel prices and increasing transportation costs have strengthened the appeal of electric bicycles as an economical mobility solution. Consumers are increasingly evaluating alternatives that offer lower operating and maintenance expenses compared with petrol-powered vehicles. Electric bicycles provide a cost-effective option for short-distance commuting, particularly in urban areas where traffic congestion and parking challenges are becoming increasingly prevalent. Their ability to deliver affordable and environmentally friendly mobility is expected to remain a key growth driver for the segment.

Technology integration for new-age customers

Technology is becoming an important differentiator within the e-bicycle segment as manufacturers focus on enhancing the overall riding experience. Modern electric bicycles are increasingly equipped with smart features that cater to the preferences of digitally connected consumers. Improved battery management systems, lightweight designs and connected technologies are helping manufacturers attract younger and more technology-oriented customer segments. Key technological advancements shaping the segments include:

Smart Connectivity: Integration with mobile applications enables riders to monitor battery status, track ride performance and access navigation features.

Enhanced Riding Features: Multiple pedal-assist modes, improved motor efficiency and integrated lighting systems improve convenience, safety and rider comfort.

Advanced Security Solutions: GPS tracking, smart locking mechanisms and anti-theft systems provide greater security and peace of mind for users.

Appeal to Younger Consumers: The combination of technology, sustainability and modern design makes e-bicycles increasingly attractive to urban millennials and Gen Z consumers seeking innovative mobility solutions.

Data-led Product Development: Connected features enable manufacturers to better understand customer usage patterns and preferences, supporting continuous product innovation and personalization.

Key players in the Indian bicycle market

Type	Brands	Description
Established players	Hero Cycles	India's largest bicycle manufacturer with a diversified portfolio across economy, premium, kids, MTB, road, and electric bicycles, supported by an extensive nationwide distribution network.
	TI Hercules Cycles	A leading premium bicycle manufacturer offering products across MTB, road, hybrid, kids, and performance segments. The company has a strong focus on innovation and premiumization through its Montra brand.
	Avon Cycles	One of India's oldest bicycle manufacturers with a strong presence in the mass and commuter bicycle segment, offering value-driven products through an extensive dealer network.
	Atlas Cycles	A legacy bicycle brand recognized for affordable commuter bicycles. While operations have scaled down in recent years, the brand continues to hold recall in the entry-level segment.
Emerging players	Ninety One Cycles	One of India's fastest-growing premium bicycle brands offering MTB, hybrid, road, kids, and electric bicycles through an omnichannel distribution model with strong digital presence.
	Rockstar Cycles	Rockstar Cycles carves a niche for itself by catering to the budget-conscious adventure cyclist
	Firefox Bikes	A pioneer in introducing premium and performance bicycles in India, catering to fitness enthusiasts, adventure riders, and cycling professionals through exclusive stores and online channels.
	Stryder Cycles	Tata International's bicycle brand focused on stylish commuter, MTB, and children's bicycles, leveraging Tata's trusted brand equity and expanding retail footprint.

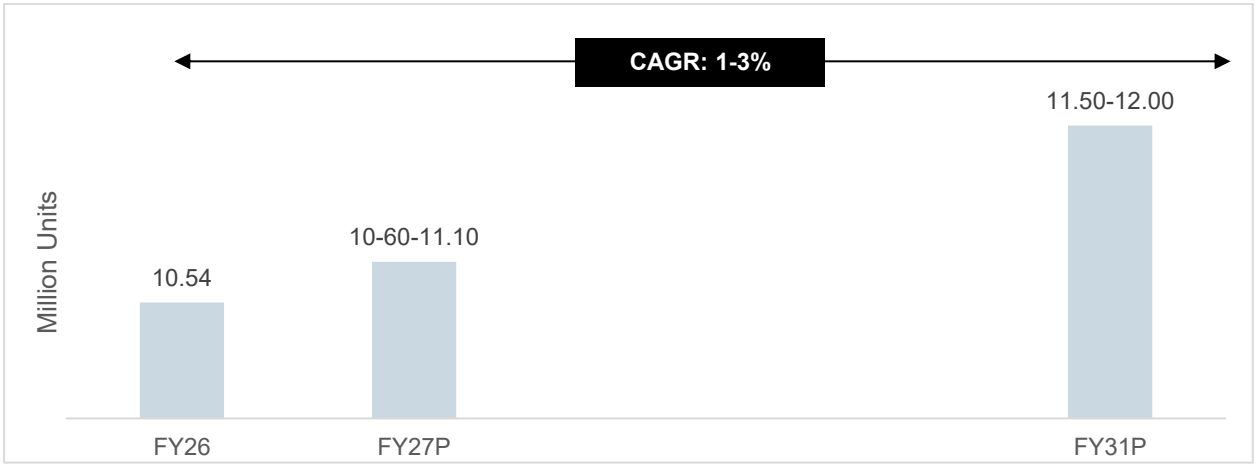
Type	Brands	Description
	Rockstar Cycles	A value-focused bicycle brand targeting budget-conscious consumers with a portfolio comprising MTB, city, and children's bicycles through regional distribution.
	Mojospin Cycles	A relatively new entrant focusing on affordable lifestyle and performance bicycles, gradually expanding its presence through online and offline retail channels.

Note: Hero Cycles, TI Cycles (Montra), Ninety One Cycles, Firefox, and Stryder offer both conventional and electric bicycles. Atlas, Avon, Rockstar, and Mojospin primarily cater to the conventional bicycle segment.

Outlook of the Indian bicycle industry (fiscals 2026 to 2031)

Sales outlook of the organized market in India

Outlook of domestic Indian bicycle (conventional) industry sales volume



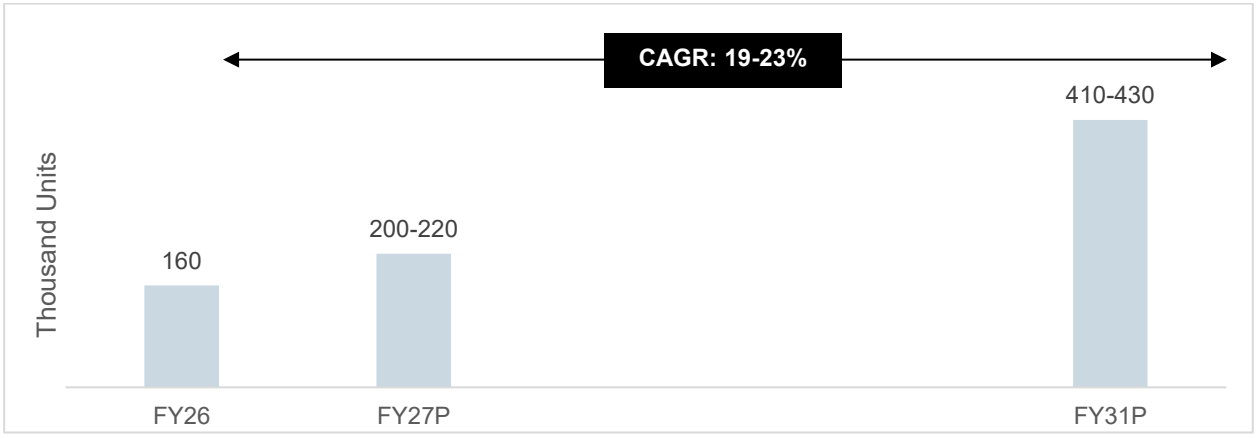
Source: Mordor Intelligence, CRISIL Intelligence

Growth is expected to remain moderate as the industry moves beyond its traditional utility-driven customer base and increasingly benefits from fitness-related and recreational demand. Greater awareness of health and wellness, especially among urban consumers, is projected to support purchases of sports and premium bicycles. Furthermore, expanding urbanization and increasing congestion in metropolitan cities are expected to encourage the use of bicycles for short-distance commuting.

Government efforts to promote environmentally sustainable transportation, cycling infrastructure and non-motorized mobility solutions are also expected to support demand growth. However, competition from electric scooters, motorcycles and public transportation systems may limit the industry's expansion potential. Consequently, the conventional bicycle segment is expected to grow at a measured pace while remaining a significant component of India's overall mobility ecosystem.

Amid the requirement to improve on the innovation and infrastructure fronts, the Indian bicycle industry is expected to grow at 1 to 3% CAGR between fiscals 2026 and 2031, with volumes reaching 11.5 to 12.0 million units.

Estimated sale volume of electric bike in India by fiscal 2031



Note: The above figures include domestic and export sale volume
Source: Mordor Intelligence, CRISIL Intelligence

The electric bike industry in India is expected to log a CAGR of 19 to 23%, reaching 410 to 430 thousand units by fiscal 2031. Electric penetration in Indian bicycle industry is expected to be 1.4 to 1.6% in fiscal 2026; the penetration may be at 3.4 to 3.6% in fiscal 2031. The growth outlook is underpinned by increasing consumer acceptance of electric

mobility, rising fuel costs, growing environmental awareness and continuous technological advancements in battery systems and vehicle performance. Going ahead in the next five years, realization per unit may go up as premiumization in the industry is expected to gain acceptance amongst customers.

Impact of regulatory changes on the Indian bicycle market

Cycle retro-reflective device regulations

The Government of India has mandated that bicycles sold in the domestic market be equipped with BIS-certified retro-reflective devices complying with prescribed Indian Standards to improve cyclist visibility and road safety. In October 2024, the government amended the Quality Control Order (QCO) to ease compliance by allowing exemptions for imported reflectors used exclusively for export-oriented bicycle manufacturing and permitting imports of up to 200 reflector units annually for research and development (R&D) purposes. These amendments aim to balance product quality, ease of doing business, and the competitiveness of Indian manufacturers while maintaining stringent safety standards.

Production-linked incentives (PLI) and manufacturing support

As of 2026, no dedicated PLI scheme has been announced for the bicycle or e-cycle industry. However, industry stakeholders continue to advocate for a PLI program focused on high-value bicycle components, aluminium and carbon-fibre frames, electric bicycles, batteries, and drivetrain components to reduce import dependence and strengthen domestic manufacturing. Government support for the sector is currently being driven primarily through Make in India, quality control measures, state-level manufacturing policies, and export promotion initiatives rather than a dedicated PLI scheme.

Review and Outlook of the Global Atv Industry

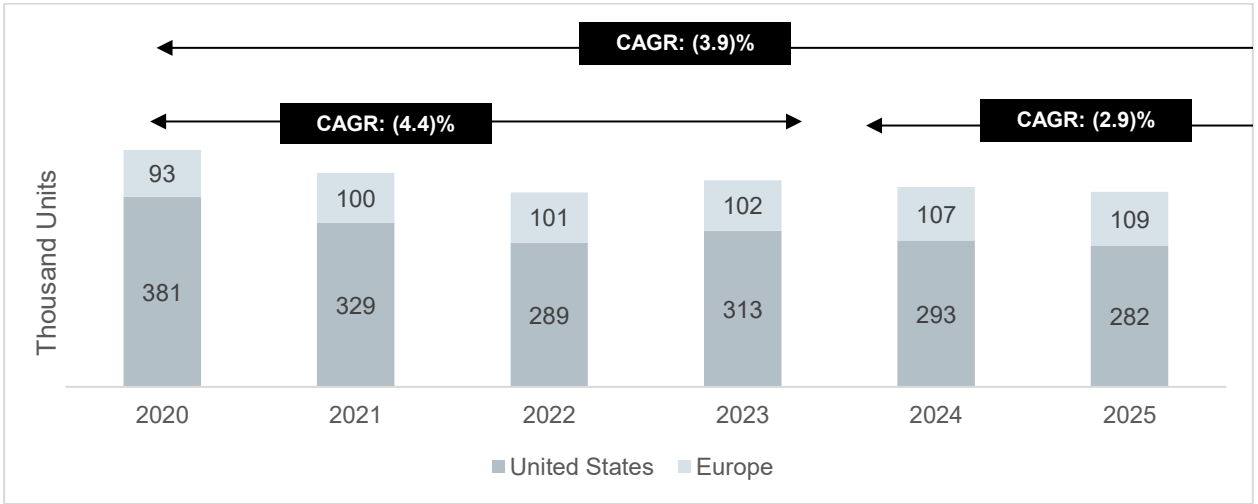
Review of the global ATV industry (2020 to 2025)

ATVs excel in an array of applications, ranging from recreational pursuits such as hunting, fishing and exploration to vital roles in search-and-rescue operations. Their maneuverability and proficiency in navigating rugged landscapes make them an invaluable asset. The flourishing recreational sector, with its emphasis on adventure sports and off-road activities, has fueled demand for ATVs, particularly among younger demographics. Within the agricultural sector, ATVs have become a workhorse, effectively replacing manual labour for tasks such as crop spraying, livestock herding and equipment transportation. Even the military has embraced the utility of ATVs, employing them for reconnaissance, patrolling and troop transport in difficult terrain.

The global ATV market is poised for continued expansion driven by several key demand drivers. Rising disposable income, particularly evident in developing economies, empowers consumers to invest in leisure activities such as ATV riding. The burgeoning tourism sector, with its focus on adventure travel, creates a demand for ATV rentals and tours in scenic locations. Additionally, increased military spending in certain regions could translate to a higher demand for ATVs for military applications.

Historic production development (CY2020 to CY2025)

Review of global ATV sales volumes (CY2020 to CY2025)



Note: Above figures comprise of sales for United States and Europe
Source: Mordor Intelligence, CRISIL Intelligence

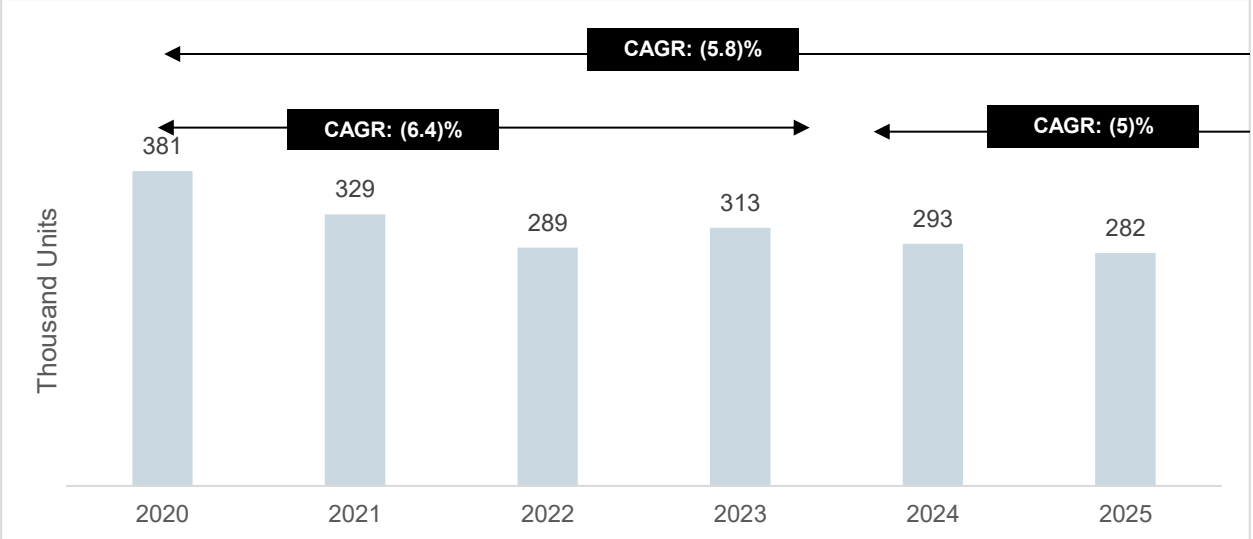
During the period 2020 to 23, ATV industry witnessed a drop with CAGR of 4.4%, which further took a slight recovery during the latter half where industry saw a drop with CAGR of 2.9 % between 2023 to 25. Overall, between 2020 to

25, industry witnessed a de-growth with CAGR of 3.9%. United States has been the major contributor to the demand of ATV (All-Terrain Vehicles)

Global ATV sales by geography

United States

Review of United States ATV sales volumes (CY2020 to CY2025)



Source: Mordor Intelligence, CRISIL Intelligence

During 2020 to 25, the industry witnessed drop with 5.8% CAGR in the US. Key industry drivers included the benefits of using ATVs in agriculture, sports, recreation and military. These serve as the significant determinant for the growth of the ATV market in the country.

The total expenditure on recreation in the United States touched U.S.$696.7 billion in 2024 compared with U.S.$447.3 billion in 2021, recording a CAGR of 15.9% between 2021 and 2024.

Following are some of the features driving the ATV industry in the United States:

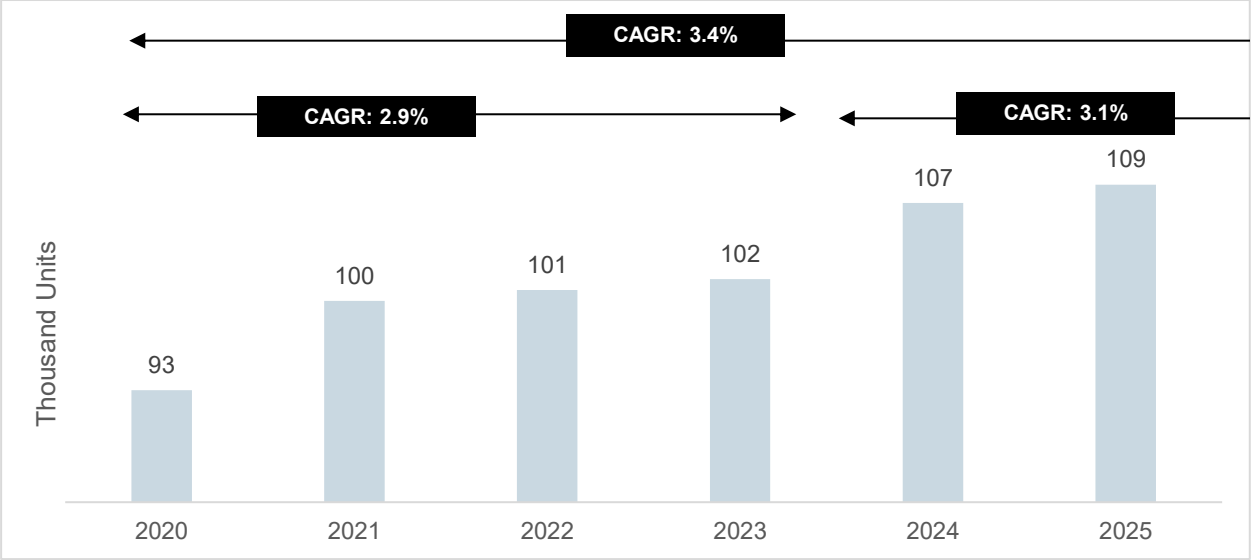
Demand for ATVs in United States: With the increasing popularity of outdoor sports in the US, demand for ATVs has been gaining traction in the country in recent years owing to their usage in outdoor recreational activity, hunting, snow plowing, killing weeds, camping, winching, field plowing, lawn/field mowing, etc.

According to the Sports and Fitness Industry Association, the share of population who took part in outdoor sports in the US comprised 80% in 2024 compared with 57.3% in 2023.

Consumer demographics: Many ATV-owning individuals in the US have an annual household income of U.S.$75,000 or more. Polaris, Yamaha, and Honda are widely popular among consumers. A majority share of Honda and Polaris ATV owners live in rural areas.

Europe

Review of Europe ATV sales volumes (CY2020 to CY2025)



Source: Mordor Intelligence, CRISIL Intelligence

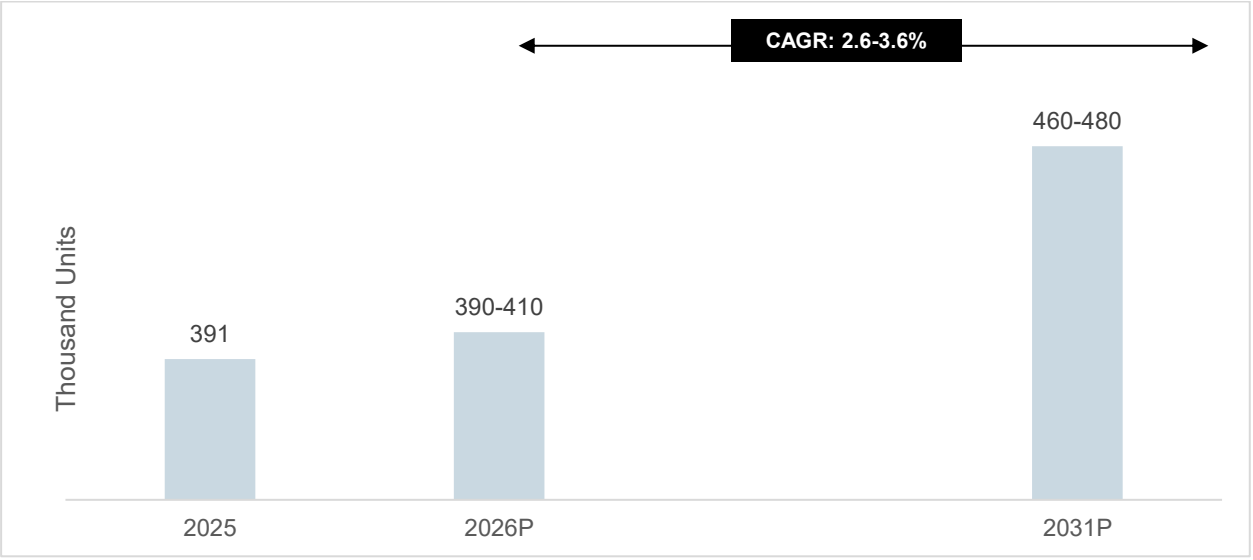
During 2020 to 25, the ATV industry in Europe grew at 3.4% CAGR. The use of ATVs in Europe has been significantly boosted by recreational activities and agricultural, and landscaping operations. Numerous nature parks have integrated these vehicles into activities such as horticulture, herding and timber cutting. Since most ATVs are not permitted to be operated on highways and other main roads, government authorities across the region have increased budgetary allocations to build new off-road trails that may be helpful for recreational enthusiasts and boost adventure sports activities in the region. This is expected to have a positive impact on the market.

Popular players and brands

Country	Brands
US	Polaris
	Can-Am
	Honda
	Yamaha
	Kawasaki
Europe	CFMOTO
	BRP (Can-Am)
	Yamaha
	Polaris

Outlook of the global ATV industry (2026 to 2031)

Outlook of ATV sales volumes (CY2024 to CY2029)



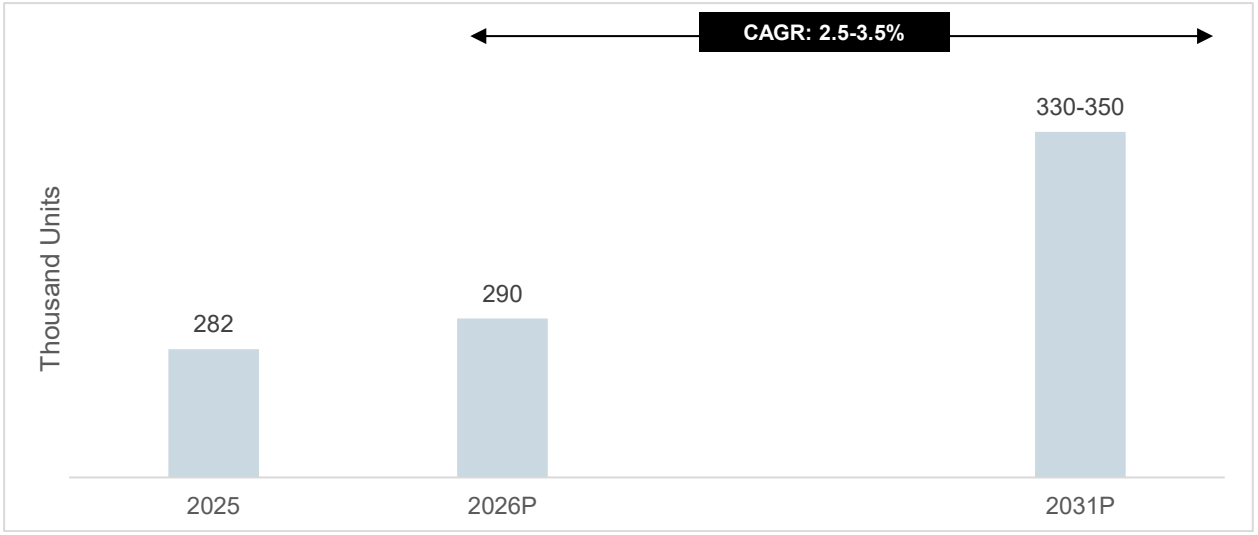
Note: Above figures comprise of sales for United States and Europe
Source: Mordor Intelligence, CRISIL Intelligence

Overall, the industry is expected to grow at 2.6 to 3.6% CAGR from 2026 to 2031 period, with volumes reaching up to 460 to 480 thousand units, for both the US and Europe geographies.

Outlook of global ATV sales by geography

United States

Outlook of US ATV sales volumes (CY2026 to CY2031)



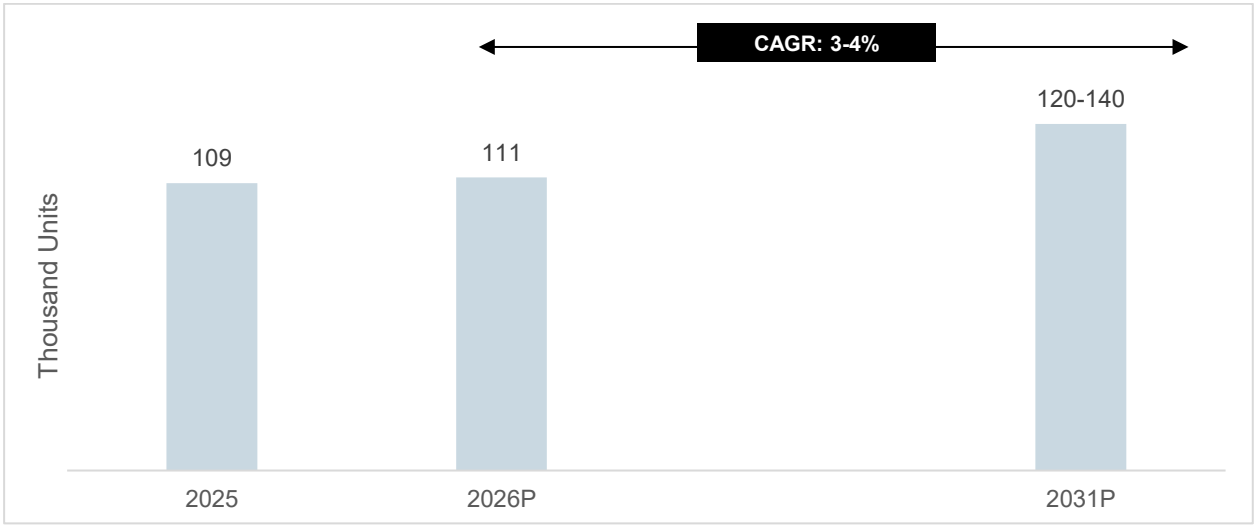
Source: Mordor Intelligence, CRISIL Intelligence

Various companies operating in the ecosystem are actively focusing on ramping up their production capacity to cater to the increasing consumer demand. We expect technological integration during the forecast period in the market, with GPS navigation systems, smartphone integration and touch screen displays.

Thus, the ATV industry is expected to grow at 2.5 to 3.5% CAGR between 2026 and 2031, with volumes reaching up to 330 to 350 thousand units.

Europe

Outlook of Europe ATV sales volumes (2026 to 2031)



Source: Mordor Intelligence, CRISIL Intelligence

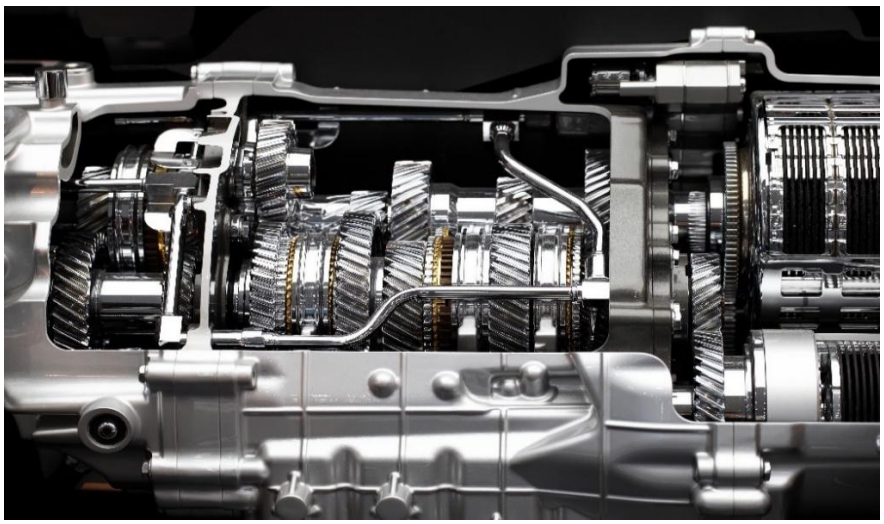
People's growing interest in sports and recreational activities has emerged as a major driving factor for ATVs. Manufacturers are working towards making frequent advancements in developing an eco-friendly version to address growing carbon emission concerns and further boost the market size of ATVs.

Thus, CRISIL expects the ATV industry in Europe to grow at 3 to 4% CAGR between 2026 and 2031 with volumes reaching up to 120 to 140 thousand units.

Overview of Key Product Segments

Overview of components for gears and transmission

Gearbox



By meticulously adjusting speed and torque, gearboxes empower an array of machinery, from automobile engines to the drill in the toolbox. The gearbox landscape boasts of a diverse range of designs, each catering to specific applications and performance requirements. Some of the prominent gearbox types are:

Manual gearboxes

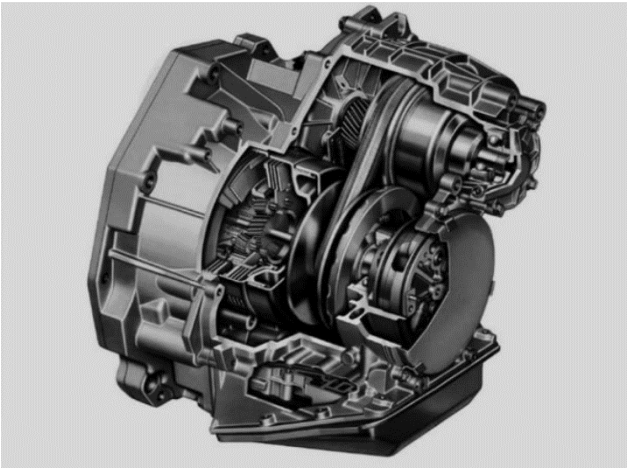
They provide a direct connection between the driver and machine. The driver, through a clutch and gear lever, manually selects the desired gear ratio, which grants precise control over the engine power and allows for maneuvers such as engine braking. However, manual gearboxes demand a higher level of driver skill and engagement.

Automatic gearboxes

Offering a more convenient driving experience, automatic gearboxes liberate the driver from the task of gear selection. They utilise a complex interplay of a planetary gearset, torque converter and a sophisticated control unit, which seamlessly changes gears to optimise performance and efficiency by analysing engine speed, vehicle load and other factors.

Continuously variable transmission (CVT)

CVTs represent a distinct and innovative technology within the realm of automatic transmissions. Unlike traditional gear-based automatic transmissions, CVTs allow to seamlessly adjust gear ratios, providing a driving experience characterised by remarkable smoothness and potentially enhanced efficiency. This section delves into the intricate workings of CVTs, exploring their key components, operational principles, advantages and considerations for implementation.



Core components and functional mechanism

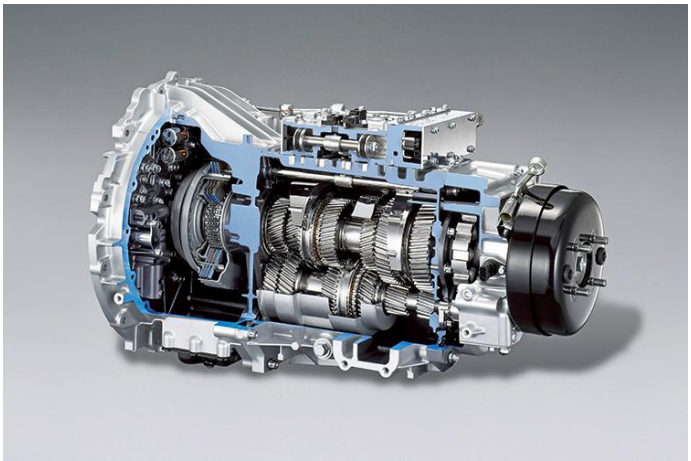
The central mechanism of a CVT lies in its ingenious pulley system, which comprises two variable-diameter cones facing each other, known as the driving and driven pulleys. The driving pulley connects directly to the engine's crankshaft, while the driven pulley transmits power to the wheels. A high-strength belt, typically constructed from steel or composite materials, connects the pulleys and transmits the engine's rotational force.

The key to a CVT's operation lies in the dynamic adjustment of these pulley diameters. An ECU acts as the conductor of this process, meticulously monitoring various parameters, such as engine speed, vehicle load and driver input. Based on this real-time data, the ECU issues precise commands to modify the diameter of the pulleys. As engine revs increase, the driving pulley expands, pushing the belt outwards. Conversely, the driven pulley contracts, ensuring optimal tension on the belt.

This continuous and dynamic manipulation of pulley diameters translates into a constantly changing gear ratio. In essence, a CVT function as if it possesses infinitely variable gears, with the ECU selecting the most efficient ratio for any given driving situation. This stands in stark contrast to traditional automatic transmissions, which rely on a fixed set of discrete gears.

DCT

DCTs employ two clutches, each pre-selecting the next gear. This allows for lightning-fast gear changes, virtually eliminating any lag or power interruption during gear shifts. However, DCTs are no longer exclusive to high-performance cars. This innovative technology is making significant inroads into the world of two-wheelers, particularly scooters and e-bikes, offering a paradigm shift in terms of riding experience and efficiency.



Feature	DCT	CVT
Gear selection	Distinct gears pre-selected by clutches	Continuously variable ratio via pulley system
Shifting style	Rapid and precise gear changes	Seamless and uninterrupted power transfer
Efficiency	Potentially high efficiency by keeping engine/motor in optimal RPM range	Can be highly efficient at lower speeds, may lose some efficiency at higher speeds
Riding experience	Smooth with a more connected feel	Exceptionally smooth, ideal for stop-and-go traffic
Complexity	More complex design, potentially higher cost	Simpler design, potentially lower cost
Maintenance	Might require specialised maintenance or lubricants	Generally lower maintenance requirements

Major components in a gearbox

While the specific components might vary based on the gearbox type, some core elements are ubiquitous:

Gears

Gears are typically made from high-strength steel or alloys to endure the wear and tear of power transmission. They come in various sizes and the ratio between the driving and driven gear dictates the output speed and torque. The number of teeth on each gear also plays a crucial role in determining the gear ratio.

Shafts

Shaft, in its most basic form, is a long, slender, cylindrical rod designed to transmit rotational motion or torque. It is essentially a mechanical axle that serves as a bridge for power transfer between various components in machines. These rotating axles serve as the backbone of the gearbox, supporting the gears and transmitting power between them. Gearboxes may employ multiple shafts, each with its own set of gears, to achieve a wider range of gear ratios.

Bearings

Integral to the efficient operation of gearboxes are bearings, precision components that minimise friction and ensure the smooth rotation of shafts. They prevent the catastrophic consequences of direct metal-to-metal contact between rotating shafts and the gearbox housing. Bearings achieve this by providing a low-friction interface, typically employing rolling elements or a lubricating film. This significantly reduces energy losses due to friction, leading to improved efficiency, quieter operation and extended lifespan for gears and other gearbox components. Furthermore, bearings are crucial in maintaining a precise alignment between shafts and gears, which is essential for proper meshing and optimal power transmission within the gearbox. Without the mitigating effect of bearings, misalignment could lead to grinding, premature wear and even seizure of gears, ultimately compromising the functionality of the entire gearbox.

Seals

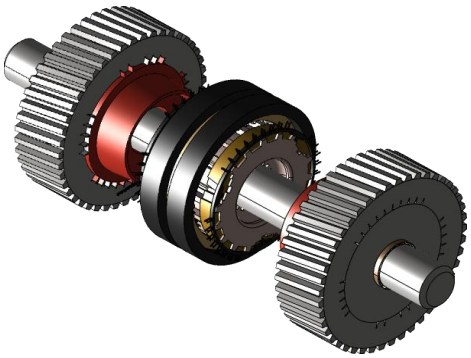
In the high-pressure world of gearboxes, seals act as guardians of lubrication. They stop precious oil from escaping, which would not only create a mess but also starve gears and bearings, leading to disaster. Seals also keep dust, dirt and moisture at bay, which can wreak havoc on gears and bearings, accelerating wear and tear. Gearboxes typically use lip, labyrinth or even double-layered cassette seals, depending on the location and pressure within the housing. Material selection is key, with nitrile rubber being common for affordability, while fluor elastomer offers superior heat resistance for tougher jobs. Seals ensure smooth operation, minimise friction and extend the lifespan of the entire gearbox.

Forks and shift mechanism

Within a manual transmission gearbox, a meticulously orchestrated interplay between forks and the shift mechanism facilitates gear changes. The shift forks, akin to a conductor's baton, serve the critical function of precisely positioning the desired gear for meshing with its partner. These typically C-shaped metal components straddle the collar or sleeve on a gear shaft, and their movement along designated grooves on the shaft achieves the necessary alignment.

The shift mechanism acts as the translator, meticulously converting the driver's input, manifested as movements of the gear lever, into precise linear motions. This linear motion, often a push or pull, is typically achieved through a shift rod within the system. The shift rod then directly connects to a specific fork, urging it along the designated shaft groove. This coordinated movement ultimately results in the gear's collar or sleeve being positioned for smooth meshing with the selected gear.

Synchromesh (manual gearboxes)



The synchromesh gearbox is a critical component within manual transmissions, particularly in automobiles. It addresses the challenge of achieving smooth engagement between gears that are rotating at different speeds during gear changes. This process, if left unaddressed, would result in significant friction and gear wears, accompanied by audible grinding noises. The synchromesh system employs friction elements to meticulously synchronise the rotational speeds of the gears before they fully engage. This synchronisation minimises the drawbacks, leading to noticeably smoother gear changes, extending the lifespan of the transmission.

Torque converter (automatic gearboxes)

The torque converter occupies a critical position within automatic transmissions, serving a dual purpose. Primarily, it functions as a fluid coupling that transmits rotational motion from the engine to the transmission. This coupling action also facilitates a crucial secondary function of torque multiplication. By strategically utilising the fluid dynamics between a rotating impeller driven by the engine and a turbine connected to the transmission, the torque converter amplifies engine torque output, particularly at lower speeds. This torque multiplication provides the additional tractive force necessary for smooth vehicle launch, especially advantageous for heavier automobiles. Furthermore, the torque converter plays a vital role during gear changes. By momentarily interrupting the direct connection between the engine and transmission, it enables gear shifts to occur smoothly, eliminating the potential for jolting sensations associated with a rigid connection. In essence, the torque converter, through its ingenious design incorporating an impeller, turbine and sometimes a stator, orchestrates a seamless transfer of power between the engine and transmission, contributing to a more refined driving experience and enhanced longevity of the automatic drivetrain.

Mass market and high-performance transmission systems

Within the realm of automotive technology, transmissions play a pivotal role in regulating the transfer of power from the engine to the wheels. Some of the key differences between manual/mass market and premium/high-performance transmission systems are:

Technological innovation vs established reliability

Mass market transmissions: They prioritise functionality and cost-effectiveness, often employing well-established designs and robust materials, such as steel to ensure longevity. While reliable, these designs may not incorporate the latest advancements, potentially resulting in increased weight.

High-performance transmissions embrace the future with advanced technologies and materials, some of the key points of which are:

- Lightweight construction: Components meticulously crafted from high-strength aluminium alloys or even composite materials can significantly reduce the overall transmission weight, enhancing fuel efficiency, a critical aspect in today's environmentally conscious landscape

- Friction reduction strategies: Advanced bearing designs and materials meticulously engineered to minimise friction losses within the transmission. Smoother-operating gears do not just provide a pleasurable driving experience but also result in a slight augmentation in fuel economy

- ECUs (Electronic Control Unit): ECUs function as the central nervous system of the transmission, analysing driving conditions in real-time. By processing a multitude of data points, including engine speed, vehicle load and driver input, the ECU can meticulously adjust shift patterns to optimise performance and efficiency

Functionality and performance:

Mass market transmissions: They strike a balance between functionality and cost. Gear changes might not be lightning-fast, and some may lack features, such as automatic rev-matching (synchronising engine speed for smoother gear changes during downshifts). While they may not be known for their speed, they consistently deliver reliable performance.

High-performance transmissions: Designed to cater to those expecting superior driving experience and peak performance. The following sets them apart:

- Rapid and seamless gear shifts: Advanced clutch control systems and meticulously designed gear selection mechanisms contribute to quicker and smoother gear changes. Instantaneous and effortless gear changes offer an engaging and exhilarating driving experience

- Diverse driving modes: These transmissions might offer a plethora of driving modes (e.g. sport, comfort and eco) that meticulously alter shift patterns and engine behaviour. It offers customisable transmission that adapts to driving in comfort or sport modes

- Automatic rev-matching prowess: Some premium transmissions are equipped with the ability to automatically adjust the engine speed to synchronise with the selected gear during downshifts. This eliminates the need for the driver to perform heel-toe manoeuvres (a specialised technique for matching revs), resulting in smoother downshifts, especially for performance driving

Cost considerations

Mass market transmissions: They are generally less expensive to purchase and maintain due to their simpler designs and readily available components. They offer a solid value proposition for those who prioritise affordability and a straightforward driving experience.

High-performance transmissions: They come at a premium price. The advanced technologies and materials employed in their construction translate into a higher initial investment. The cost of maintenance might also be slightly higher due to the potentially more intricate systems involved.

Overview of components for bike powertrain

Transmission system for bikes and e-bikes

Derailleur systems

Derailleur systems reign supreme as the most ubiquitous transmission system for bicycles, both traditional and e-bikes. Their ability to offer an array of gears makes them perfect for conquering diverse terrains, catering to amateurs and professional cyclists alike.

Considerations for derailleurs:

- Maintenance needs: Regular care is crucial for optimal performance. Tasks, such as cable adjustments, derailleur alignment and chain lubrication need a regular check.
- Vulnerability factor: Exposed derailleurs are susceptible to damage from rocks or crashes on rough terrains
- Shifting efficiency: Derailleur systems might experience some efficiency loss under high torque situations, which can be a factor for powerful e-bikes

Shift in trend to alternative options

The transmission system in e-bikes has evolved. Early models employed rudimentary friction drives, later replaced by the adoption of traditional derailleur systems from bicycles. While derailleurs offered wider gear ranges, the additional stress from electric motors presented challenges. Consequently, contemporary trends favour two distinct alternatives: Internal gear hubs (IGH) and CVT.

Internal gear hubs

IGHs constitute a distinct transmission technology employed within bicycles and e-bikes. Unlike traditional derailleur systems that feature exposed components, IGHs are encapsulated units situated within the rear hub of the vehicle. This design offers numerous advantages, including low maintenance requirements and dependable gear shifting, making them a compelling alternative for riders prioritising these aspects. Among the numerous players, few prominent manufacturers, namely, Shimano and Rohloff have established themselves in the internal gear hubs market for bicycles.

At the core of an IGH lies a planetary gearset. This ingenious mechanism incorporates multiple gears arranged in a configuration reminiscent of planets orbiting central sun gear. By meticulously manipulating the engagement of these gears, the IGH achieves a spectrum of gear ratios, thereby enabling the rider to adapt to varying terrain demands.

Considerations for IGH:

Weight: IGHs weigh more than derailleur systems, potentially posing a concern for riders who prioritise a lightweight bicycle.

Limited gear range: While offering a sufficient range of gears for many riders, IGHs typically provide fewer gear options, compared with derailleurs. This limitation might render them less suitable for conquering exceptionally challenging terrains that demand a wider gear range for optimal performance.

Maintenance complexity: Although requiring less frequent maintenance, some IGHs might necessitate specialised servicing by a qualified mechanic, unlike basic derailleur adjustments that can often be performed by the rider.

CVT

CVTs are emerging as a disruptive technology within the e-bike domain. Unlike the traditional derailleur systems that offer discrete gear ratios, CVTs provide a seamless spectrum of gear ratios, fundamentally altering the riding experience. Enviolo is the first to introduce commercially available CVT technology for bicycles in 2007 and has patented their technology. This analysis dissects the key advantages and considerations associated with CVTs in e-bikes. Powertrains are integrated systems designed to propel a vehicle by converting energy into motion. They include the engine or motor, energy storage systems, the transmission, driveshaft, and other related components that work together to deliver power to the vehicle's wheels.

Advantages of CVTs in e-bikes:

Unparalleled smoothness: CVTs eliminate the jolts associated with gear changes in derailleur systems, resulting in an exceptionally smooth riding experience. This is particularly noticeable during acceleration and hill climbing, translating to enhanced comfort and a more natural feel for the rider.

Effortless gear adjustment: Many CVTs incorporate automatic or semi-automatic functionalities that dynamically adjust the gear ratio based on factors, such as pedal cadence and terrain. This eliminates the need for manual gear changes, allowing riders to focus solely on the act of cycling.

Potential efficiency gains: By maintaining the electric motor within its optimal RPM range, CVTs have the potential to improve efficiency. This translates to a potentially maximised battery range, a crucial factor for e-bikes.

Reduced maintenance requirements: Due to a minimised number of moving parts, compared with derailleurs, CVTs eliminate abrupt gear shifts and promote consistent pedalling cadence, resulting in improved efficiency and reduced wear and tear over time.

Considerations for CVTs in e-bikes:

Cost factor: CVTs typically command a higher price point, compared with other alternative options.

Weight: While lighter than some internal gear hubs, CVTs can contribute to a slight weight increase in e-bikes, compared with derailleurs.

Electric drive unit (EDU)

The EDU is an integrated system with motor, battery and controller as key components and has a major impact on the overall performance and functionalities of end-applications, such as e-bikes or electric two-wheelers. This intricate system integrates several key components that function synergistically to propel the rider forward.

Electric motor: This is an essential component of the EDU, transforming electrical energy garnered from the battery into mechanical energy that drives the wheels. Brushless DC (BLDC) motors are vital in e-bikes, owing to their superior efficiency, reliability and quiet operation. The brushless design minimises friction and wear, contributing to

an extended lifespan. BLDC motors function on the principle of magnetic interaction. Permanent magnets fixed to the rotor (the rotating component) interact with electromagnets (coils) on the stator (the stationary component). By electronically regulating the current flow within these coils, a rotating magnetic field is established. This magnetic field exerts a pulling force on the rotor, causing it to spin and propel the e-bike forward.

Battery: Functioning like the fuel tank of a conventional vehicle, the battery safeguards the electrical energy that energises the motor. Lithium-ion batteries are the predominant choice due to their exceptional energy density and extended lifespan. Battery capacity, quantified in watt-hours (Wh), determines the potential range achievable on a single charge. Consequently, a higher Wh rating translates to a greater travel distance.

Controller: This intelligent unit serves as the central nervous system of the EDU, meticulously regulating the flow of electricity from the battery to the motor. It receives signals transmitted by various sensors, including the pedal assist sensor or throttle and calibrates the motor's power output based on these inputs. The controller acts as an orchestra conductor, ensuring all components function in harmonious unison.

Pedal assist sensor: It plays a crucial role in initiating motor assistance. It meticulously detects the rider's pedalling motion. Upon commencement of pedalling, the sensor transmits a signal to the controller, instructing the motor to engage and provide supplementary power to augment the rider's effort. Certain e-bikes incorporate a throttle mode, enabling purely electric operation that eliminates the need for pedalling altogether.

Electric drive motor

E-bikes are becoming increasingly popular due to their ability to provide an environmentally friendly and assisted ride. A key component of an e-bike is the electric drive motor, which provides an extra boost to propel the bike forward. The two main types of electric drive motors used in e-bikes are hub and mid-drive motors. Each type offers distinct advantages and disadvantages, making the choice dependent on riding style and needs.

Hub motors

Hub motors are a widely employed type of motor integrated within the wheel hub of an e-bike.

Advantages of hub motors:

Hub motors are significantly favoured by e-bike riders, owing to several compelling attributes:

- Their straightforward design facilitates integration into existing bicycles, making them a popular choice for converting conventional bicycles into e-bikes
- Compared with their mid-drive counterparts, hub motors possess a simpler design with fewer moving parts. This minimises downtime, in turn reducing maintenance, keeping riders focused on the road
- They are more affordable than mid-drive motors. This economic advantage makes them an attractive option for budget-conscious riders seeking an e-bike experience

Considerations for selection of hub motors:

While hub motors offer numerous advantages, there are aspects that warrant careful consideration:

Weight distribution: The concentrated weight within the wheel can influence the handling characteristics of an e-bike, particularly for lighter models.

Hill climbing performance: While geared hub motors provide some assistance on inclines, they might not be the optimal choice for tackling extremely steep hills.

Sensor technology: Hub motors frequently utilise cadence sensors, which get activated based on the pedalling speed. This can result in a less natural riding experience, compared with torque sensors found in some mid-drive motors. Torque sensors respond to the force applied by the rider, offering a more intuitive feel.

Mid-drive motors

Mid-drive motors offer a unique and powerful e-bike riding experience, compared with their hub motor counterparts. Nestled within the frame, these motors work in concert with the e-bike's drivetrain, unlocking a world of possibilities for riders seeking performance and a natural riding feel.

Unlike hub motors, which reside directly in the wheel hub, mid-drive motors occupy a central location near the pedals. This strategic positioning offers several advantages:

- Mid-drive motors connect directly to the bike's drivetrain, integrating seamlessly with the existing gears
- This intimate connection with the drivetrain allows mid-drive motors to leverage the bike's existing gears leading to optimal power distribution on flat terrains and exceptional climbing ability on inclines
- Mid-drive motors typically have a higher power output, compared with hub motors
- Mid-drive motors result in better weight distribution as compared to hub motors that result in a comfortable feeling for riders

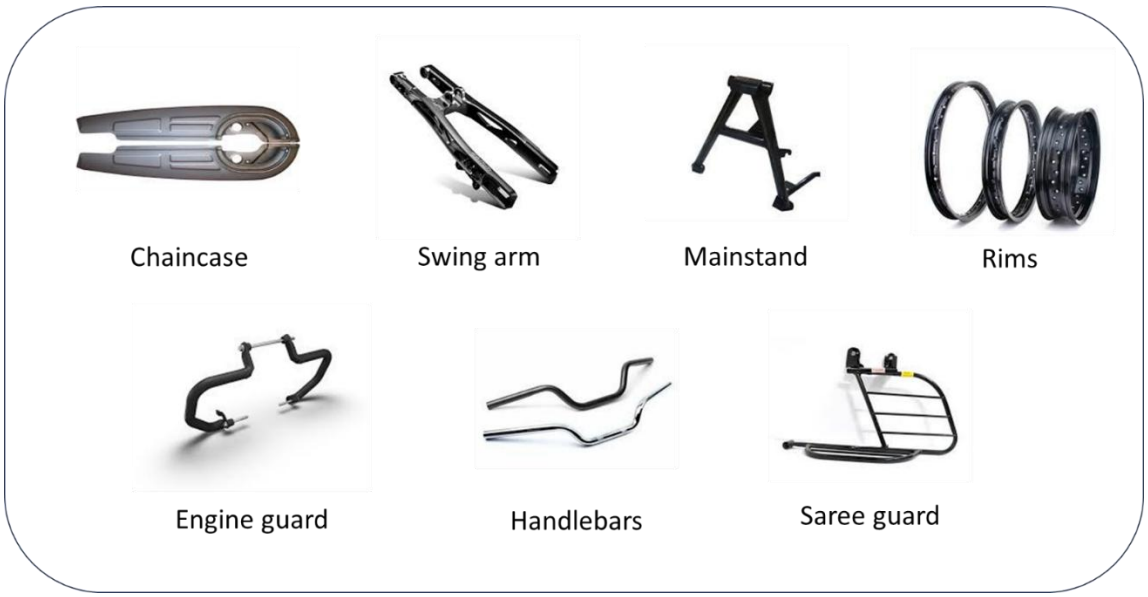
Considerations for selection of mid-drive motors:

Maintenance: The complex design of mid-drive motors, with their intricate gear interactions, might necessitate more frequent servicing, compared with hub motors.

Cost considerations: The intricate design and functionality of mid-drive systems make them more expensive than their hub motor counterparts.

Installation nuances: Integrating a mid-drive motor often requires professional assistance, especially for complex conversions. While some skilled riders might attempt do-it-yourself installations, professional help ensures proper integration and optimal performance.

Overview of components for alloys and metallics



Chaincase

Chaincase, also known as a chainguard, fulfils a critical function in ensuring the continued efficacy of the drivetrain and safeguarding the rider. Following are some of the features of a chaincase:

Preservation of the chain assembly: A primary function of the chaincase lies in its encapsulation of the chain and sprocket assemblies. This enclosure shields the chain from the negative impact of dirt debris, and moisture. By mitigating such exposure, the chaincase extends the operational lifespan of the chain and minimises the need for frequent cleaning and lubrication.

Enhanced rider safety: The chaincase serves as a vital safety element by preventing inadvertent contact between the moving chain and the rider's extremities or loose articles of clothing. This safeguard is particularly important for new cyclists or children, who may be unfamiliar with the potential hazards of an exposed chain.

Protection of attire: The chaincase acts as a barrier, preventing the chain from coming into contact with the rider's clothing. This not only prevents unsightly and potentially persistent grease stains but also eliminates the possibility of snagged clothing, thereby contributing to a more comfortable and aesthetically pleasing cycling experience.

Swing arm

A swingarm is a key component of a motorcycle's suspension system. It is a single or double-sided mechanical device that:

- **Attaches the rear wheel of a motorcycle to its body:** The swingarm pivots at its front attachment point, allowing the rear wheel to move up and down as the motorcycle travels over bumps and uneven terrain
- **Holds the rear axle:** The rear axle of the motorcycle is secured within the swingarm, allowing the wheel to rotate freely
- **Acts as a mounting point for the rear suspension:** The shock absorber(s) and linkage system of the rear suspension are typically connected to the swingarm. This allows the suspension to compress and rebound, absorbing impacts, and providing a smoother ride

Mainstand

A mainstand, also sometimes called a centerstand, is a kickstand located in the centre of a bicycle or motorcycle providing upright support for the entire vehicle. When deployed, the mainstand lifts the rear wheel of the bicycle or motorcycle off the ground, keeping the entire vehicle upright and stable. Following are some of the features of a mainstand:

- **Parking and maintenance:** The mainstand allows for secure parking on uneven surfaces or soft ground where a side stand may sink in. It is also crucial for maintenance tasks such as cleaning the drivetrain, repairing punctures or adjusting brakes since both wheels are accessible when the bike is upright
- **Loading and unloading:** The mainstand facilitates easier loading and unloading of cargo or passengers, especially on heavier motorcycles where a side stand may cause problems
- **Security:** Some mainstands incorporate locking mechanisms to prevent the bike from being easily rolled away, offering an additional layer of security

Rims

The rim plays a critical role in keeping the wheels of a motorcycle or bicycle rolling smoothly.

Role of rims:

- Shaping the ride: Rims provide the defined shape for the tyre. This not only allows the tyre to maintain its inflated form but also influences its overall performance. A wider rim can offer better grip and stability for certain riding styles, while a narrower one might prioritise aerodynamics.
- Spoke sanctuary: The tiny holes drilled into the rim serve as the anchor points for the spokes, which are the thin metal rods that connect the rim to the hub at the centre of the wheel. The interaction between the spokes and the rim creates a tensioned structure, transferring the pedalling power from the hub all the way to the ground, propelling forward movement.

Engine guard

An engine guard, also sometimes called a crash bar or bull bar, is a metal frame or bar attached to a motorcycle or scooter specifically designed to protect the engine and other critical components in the event of a crash or fall.

Key functions and benefits of engine guards:

- Protection in case of a fall: The primary function of an engine guard is to absorb impact and deflect blows away from the engine block, oil filter, exhaust pipes and other vulnerable parts of the motorcycle. This can help minimise damage and prevent costly repairs in case of a fall
- Reduced damage during low-speed tip-overs: Engine guards can also offer some protection during low-speed tip-overs, preventing the engine from directly contacting the ground and potentially cracking the crankcase or other components
- Improved off-road capability: For off-road enthusiasts, engine guards provide additional protection against rocks, debris and other hazards encountered on rough terrains
- Aesthetics and style: Some engine guards can enhance the visual appeal of a motorcycle, giving it a rugged and aggressive look

Handlebars

Handlebars are a crucial component for bicycles and motorcycles that help the rider steer and control the direction of the vehicle. Typically made from lightweight and strong materials, such as steel, aluminium or carbon fibre, they connect to the stem (bicycles) or the upper yoke (motorcycles) of the frame. There are different handlebar styles for bicycles and motorcycles:

Bicycles:

- Drop bars: Preferred by cyclists for their curved design that allows for a more aerodynamic, tucked-in position, these bars offer multiple hand positions for comfort and control during extended rides
- Flat bars: These straight handlebars provide an upright riding posture, making them popular for comfort bikes, hybrids and mountain bikes, offering good control and maneuverability

- Bullhorn bars: They are similar to drop bars but have shorter drops, commonly used on time trial and triathlon bikes for optimal aerodynamics
- Butterfly bars: These wide, flared handlebars offer a comfortable upright position, often seen on comfort and touring bikes, providing leverage for steering and stability
- Mountain bike handlebars: Wider and risen more than flat bars, they provide increased control and leverage for navigating rough terrain

Motorcycles:

- Standard handlebars: These straight or slightly angled bars offer an upright riding position, common on standard motorcycles and cruisers
- Beach bars: They are similar to standard handlebars but with a more relaxed backward sweep, promoting a laid-back riding posture often seen on cruisers
- Clip-on handlebars: These comprise two separate bars clamped onto the fork tubes, allowing for a tucked-in, aerodynamic position favoured by sportbike riders
- Ape hangers: They are tall handlebars, offering a unique look and more leverage for low-speed riding, but potentially affecting handling at higher speeds

Materials:

- Handlebars are typically constructed from lightweight and strong materials such as:
- Aluminium: The most common material, offering a good balance of weight, strength and affordability
- Carbon fibre: Lighter than aluminium but more expensive, it offers a high-performance option for weight-conscious riders
- Steel: Strong and durable, but heavier than others. It is less common nowadays due to weight concerns

Saree guard

The primary function of a saree guard is to safeguard loose flowing and long clothing while riding a motorcycle or scooter. It acts as a physical barrier, preventing the rider's garment from getting entangled in the wheels or chain. This not only protects the garment from potential tears, snags or grease stains but also addresses a crucial safety concern.

Major technologies used in the manufacturing processes of alloys and metallics

The type of manufacturing technology mainly depends on the desired properties (weight, strength and cost), production volume and design complexity of the component. Technologies used for some key parts, along with separate considerations for each:

Chaincase, main stand, swingarm (bikes with motors)

Manufacturing technologies:

- Sheet metal stamping: This is a common and cost-effective method. Sheet metal is punched and formed into the desired shapes using dies and presses and is often used for chaincases and main stands, owing to its speed and affordability

- Metal injection moulding: This technique is suitable for creating complex shapes. Metal powder is mixed with a binder, moulded into shape and then heated to remove the binder and fuse the metal particles. This can be used for some chaincases and swingarms on motorbikes

Considerations:

Material selection (steel or aluminium) significantly impacts the final product's weight, strength and cost.

Rims

Manufacturing technologies:

- Extruded aluminium: The most widely used method, aluminium billets are heated and forced through a die to create a long continuous profile, which is then cut and welded to form the rim

- Carbon fibre layup: This method is used for lightweight, high-performance rims. Carbon fibre sheets are layered in a specific orientation and bonded together with resin. This requires a specialised mold and curing process

Considerations:

The choice of material (aluminium or carbon fibre) has a major influence on the rim's weight, strength and overall cost.

Engine guard (motorcycles)

Manufacturing technologies:

- Tube bending: This is a common technique, also used for handlebars. Metal tubes are heated and bent using mandrels or dies to form the desired shape. This is used for engine guards on motorcycles as it offers good strength and allows for customisation

- Computer numerically controlled (CNC) machining: This method is used for complex shapes or high-precision components. CNC machines precisely remove material from a solid block of metal to create the desired form. This can be used for some engine guards with intricate designs

Considerations:

Material selection (typically steel) and design complexity are key factors affecting the manufacturing process chosen for engine guards.

Handlebars

Manufacturing technologies:

- Tube bending: This is the most common method for metal handlebars. Metal tubes are heated and bent using mandrels or dies to form the desired shape

- Forging: This method is used for high-strength handlebars, such as those on some mountain bikes. Metal is heated and hammered into shape using dies

Considerations:

Material selection (steel or aluminium) is important, along with the handlebar type (flat, drop or other styles).

Saree guard

Manufacturing technologies:

- Sheet metal stamping (as mentioned above): This is a common choice for saree guards, especially those that are fixed, owing to its affordability and ability to create simple shapes

- Metal bending: This can be used for curved sections of a saree guard, especially for those that are fixed, which wrap around the frame

- Welding: This is used to join different metal components of a saree guard, especially for those fixed

Considerations:

Material selection (steel or aluminium) is a factor, along with determining if the saree guard is fixed or detachable.

Impact of electrification on all components (combined for gears and transmission, bike powertrain and alloys & metallics)

The EV revolution is causing a ripple effect throughout the automotive industry, and the component manufacturing sector is no exception. While the demand for traditional engine and drivetrain components, such as engine gears, chaincases and carburettors will plummet, several other component categories will see a significant shift. Essential components, such as handlebars, safety features and frames will be crucial for EVs, albeit potentially with some design modifications. Suspensions, wheels and instrument clusters might require adjustments to accommodate the unique characteristics of EVs.

The mobility industry is experiencing a transformative shift across the globe due to the increasing electrification of vehicles, significantly impacting powertrain solutions such as motors, gearbox/transmission systems, and integrated e-drive units.

Adoption of electric vehicles (EVs) necessitates a paradigm shift in the design and function of gears and transmission components. The multi-speed gearboxes associated with internal combustion engines are likely to be supplanted by simpler designs in EVs. This includes single-speed reduction gears, optimized for efficiently matching the high RPM of electric motors to the optimal operating speed of the wheels. Alternatively, limited-speed gearboxes with a focus on a select range of well-spaced ratios might be employed in high-performance EVs or those designed for substantial towing capacity. This evolution towards a more streamlined transmission translates to a lighter overall weight, potentially contributing to improved vehicle range and efficiency. However, the emphasis on simplicity does not diminish the critical role of high-quality gears. Electric motors generate significant torque from a standstill, placing immense stress on transmission components. Consequently, the continued focus on robust materials and precision manufacturing remains paramount to ensure reliable operation.

Furthermore, the regenerative braking systems prevalent in EVs introduce the challenge of bi-directional power flow through the transmission. This necessitates gears with exceptional wear resistance and durability to handle this reversed power flow without compromising performance or longevity. In essence, the electrification of the automotive industry compels a shift towards high-quality, efficient transmissions specifically designed to address the unique demands of electric motors.

However, the most exciting opportunities lie in the development and production of entirely new component categories. Electric motors, inverters, battery management systems and power electronics will be important for EVs, and their demand is poised to surge. Additionally, the rise of EVs necessitates the creation of new charging infrastructure components, such as stations, connectors and related hardware. This transition presents a significant challenge, but also a golden opportunity for component manufacturers who can adapt to and innovate new technologies. By catering to the evolving needs of the electric mobility revolution, the industry can ensure a smooth shift towards a cleaner and more sustainable future.

Overview of Forging in Auto-Components

Forging is one of the oldest and most essential metalworking processes, where metal is shaped using compressive forces, typically applied through hammers, presses, or rolling machines. This process enhances the mechanical properties of the metal by refining its grain structure, increasing its strength, toughness, and resistance to fatigue. The forging industry plays a critical role in manufacturing, supporting sectors such as automotive, aerospace, industrial machinery, power generation, construction, railways, and mining equipment. Forged components are preferred in applications that require high strength, durability, and reliability under extreme operating conditions.

The automotive industry is the largest consumer of forged components due to the high-performance requirements of vehicles. Forging ensures that automotive parts can withstand mechanical stress, high temperatures, and prolonged use without failure. Engine components such as crankshafts, connecting rods, camshafts, and pistons are commonly forged to enhance durability and resist wear. Transmission parts, including gears, shafts, and yokes, benefit from forging to maintain strength under continuous load cycles. Chassis and suspension components like control arms, steering knuckles, and wheel hubs are also forged to provide structural integrity and impact resistance. Additionally, drivetrain components such as axles, differential gears, and drive shafts are forged to handle torsional and bending stress efficiently.

Materials used in forging vary depending on application requirements, with steel and aluminium being the most common. Steel forgings offer high tensile strength, toughness, and impact resistance, making them suitable for critical load-bearing components. Aluminium forging is increasingly adopted in the automotive industry due to its lightweight properties, which contribute to improved fuel efficiency and lower emissions. Titanium and nickel alloys are used in specialized applications requiring high temperature and corrosion resistance, such as aerospace and high-performance automotive components.

Forging is categorized based on the type of equipment and press capacity used, which influences the size and complexity of components that can be manufactured. Small-scale forging operations typically use hammers and presses with capacities ranging from 250 to 2,500 tons, suitable for precision automotive and industrial components. Medium-sized forges utilize press capacities between 2,500 and 10,000 tons, enabling the production of larger and more complex parts like crankshafts and axles. Heavy-duty forging presses exceed 10,000 tons and are used for manufacturing large structural components for aerospace, power generation, and heavy machinery. These high-tonnage presses allow the production of massive components with precise grain flow alignment, ensuring superior mechanical properties.

Forged components provide significant advantages over other manufacturing methods such as casting. The forging process aligns the metal's grain structure along the contours of the component, enhancing strength and fatigue resistance. This results in parts that are stronger and more reliable than cast or machined equivalents. Forged components also exhibit improved impact resistance, making them ideal for safety-critical applications such as automotive suspension and aerospace landing gear. The process enables the production of near-net-shape parts, reducing material waste and machining time, leading to cost-effective manufacturing. Additionally, forging allows for superior metallurgical consistency, ensuring predictable performance under extreme conditions.

Globally, the forging industry is driven by major players that have established expertise in advanced forging techniques, material science, and automation. Some of the leading global forging companies include Thyssenkrupp (Germany), Bharat Forge (India), Nippon Steel Corporation (Japan), Aichi Steel (Japan), and American Axle & Manufacturing (USA). These companies supply forged components to automotive OEMs, aerospace manufacturers, and heavy industries, maintaining stringent quality standards and technological advancements. In India, Bharat Forge is a dominant player known for its high-precision forging capabilities and extensive product portfolio, catering to automotive, railways, defence, and industrial applications. Other prominent Indian forging companies include Ramkrishna Forgings, MM Forgings, and Amtek Auto, all of which contribute significantly to the global supply chain.

Technological advancements in the forging industry continue to drive efficiency, precision, and sustainability. Automation and robotics are increasingly integrated into forging operations to improve productivity and consistency while reducing manual labour. Advanced simulation techniques and AI-driven process optimization are being employed to enhance material utilization and reduce defects. Additionally, the adoption of green forging practices, including energy-efficient heating methods and sustainable material sourcing, is gaining traction to minimize the environmental impact of forging operations.

The demand for forged components is expected to grow in alignment with advancements in automotive and industrial applications. The shift towards electric vehicles (EVs) presents new opportunities for forging in battery casings, lightweight structural components, and electric drivetrain systems. Similarly, the aerospace and power generation industries continue to rely on forging for critical components requiring superior mechanical performance. With ongoing innovations in materials, process automation, and energy-efficient forging techniques, the industry is poised to maintain its relevance as a backbone of global manufacturing.

Gearbox and Transmission Design Consultancy Services

Gearbox and transmission design consultancy services offer specialized expertise in developing components tailored to the precise needs of industries such as automotive, aerospace, and industrial machinery among few others. These services cover the entire design lifecycle, from initial concept development and detailed engineering to final design validation, ensuring components meet stringent performance, reliability, and durability standards. With a strong emphasis on innovation and efficiency, these consultancies ensure that designs adhere to industry-specific regulations and operational requirements while delivering solutions that are both robust and cost-effective.

In addition to component design, consultancy services play a critical role in facilitating the transition to manufacturing. This includes optimizing designs for production, advising on material selection, and ensuring components are manufacturable without compromising on quality or cost efficiency. By bridging the gap between design and production, these services help businesses streamline their development processes.

Companies, particularly OEMs, rely on gearbox and transmission design consultancy services to access advanced expertise that enhances both design precision and manufacturing efficiency. By leveraging these services, businesses can optimize component performance, ensure seamless production integration, and maintain compliance with stringent industry standards.

Currently, these services are primarily utilized for high-end automotive vehicles, where precision engineering and advanced performance requirements drive the need for specialized expertise. While gearbox and transmission design consultancy remain a niche segment, its significance in the coming years is expected to grow as the demand for vehicles with enhanced performance, reliability, and durability continues to rise. The increasing focus on technological advancements in mobility solutions will further drive the need for specialized engineering expertise in this field.

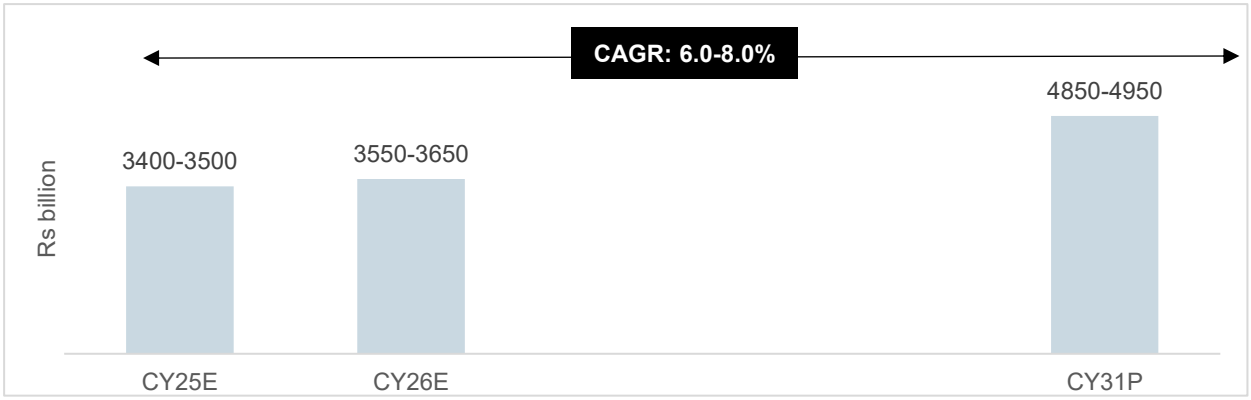
Companies such as ZF Friedrichshafen AG, Ricardo PLC, Hewland Engineering Ltd, Colotti Trasmissioni, AVL List GmbH, Drive System Design (UK), FEV are amongst the prominent players of this industry, offering expertise in designing, developing, and optimizing transmission systems to meet stringent performance and reliability standards.

These firms play a crucial role in enhancing powertrain efficiency, ensuring seamless integration with manufacturing processes, and driving technological advancements in mobility solutions.

Market Sizing and Outlook of Components

Gears & transmissions

Market sizing for gears & tranmissions components (CY25E to CY31P)



Note:
1. *Above figures comprise of values for gear components (global) and gear-box assembly (domestic & global)*
2. *Gear components compromise of values for India, United States, EU, and ASEAN and vehicle segments included for market sizing are motorcycles, passenger cars, e-3W and ATV*
3. *Gear components segment covers - Engine Gear and Transmission gear, shafts, and gear-set assemblies*
4. *Gear-box assembly (domestic) compromise of values for India and vehicle segments included for market sizing are cars and e-3W*
5. *Gear-box assembly (global) comprise of values for United States, EU, and ASEAN and vehicle segments included for market sizing are motorcycles (>600 cc) and ATV*

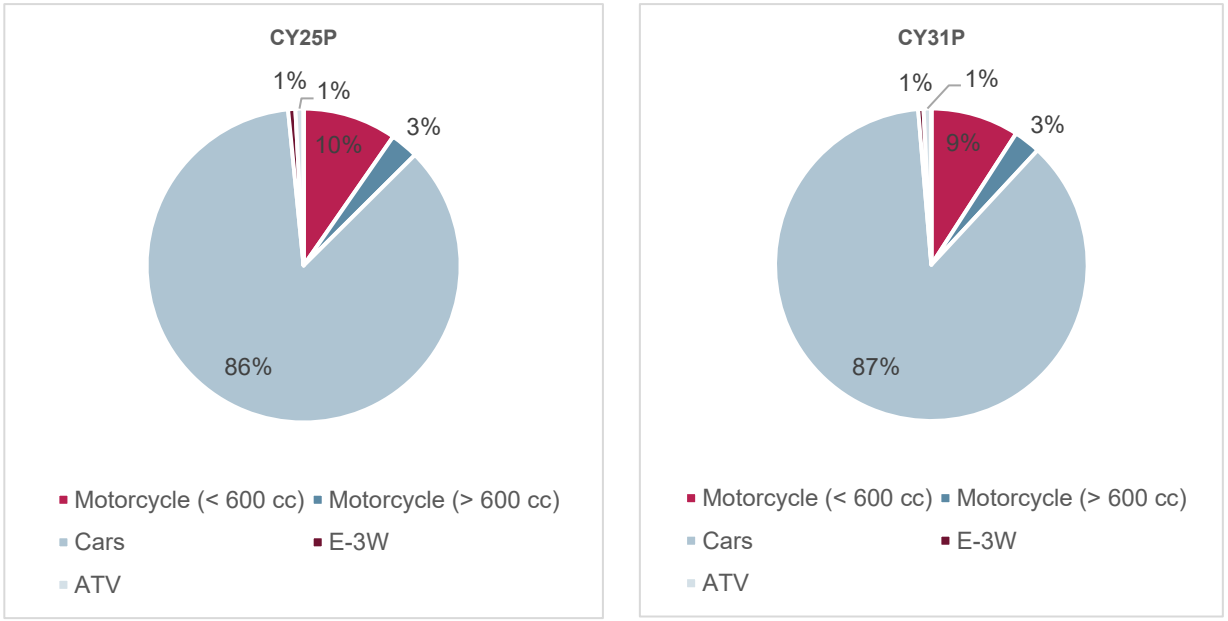
Source: Mordor Intelligence, CRISIL Intelligence

The size of the market for gears & transmissions is estimated to clock a CAGR of 6.0 to 8.0% between calendar years 2025 and 2031. In calendar 2025, the estimated market size is anticipated to be in the range of Rs 3,400 to 3,500 billion, whereas in calendar 2026, it is expected to increase 3 to 5% to Rs 3,550 to 3,650 billion.

For the two wheeler segment, gears & transmissions is estimated to clock a CAGR of 4 to 6% between calendar years 2025 and 2031. In calendar 2025, the estimated market size is anticipated to be in the range of Rs 430 to 440 billion, and the market size is expected to expand to Rs 580 to 600 billion by 2031.

On the other hand for the passenger vehicle segment, gears & transmissions is estimated to clock a CAGR of 5.5 to 7.5% between calendar years 2025 and 2031. In calendar 2025, the estimated market size is anticipated to be in the range of Rs 2,900 to 3,100 billion, and the market size is expected to expand to Rs 4,150 to 4,350 billion by 2031.

Share of vehicle categories for market sizing of gears & tranmissions



Source: Mordor Intelligence, CRISIL Intelligence

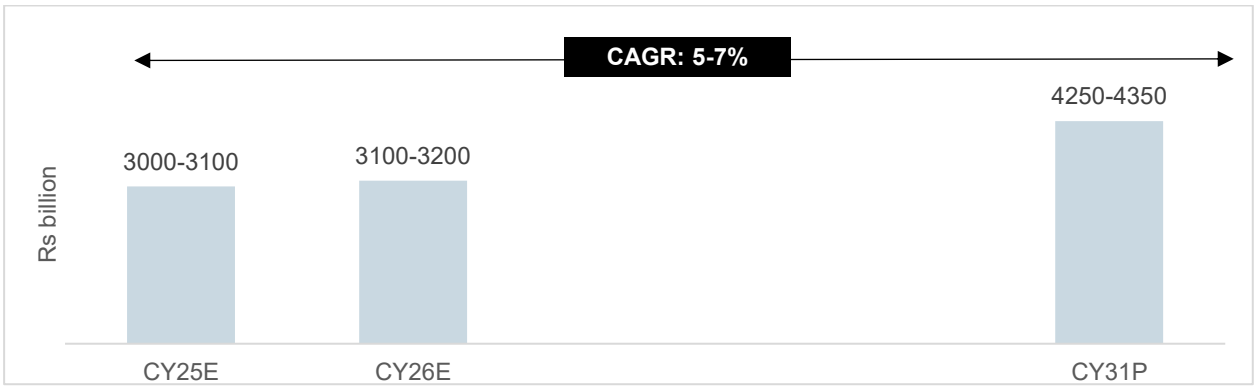
Within the highly competitive market, few key players such as ZF Friedrichshafen AG, Musashi Co. Ltd., BorgWarner Inc. and GKN PLC stand out and are recognized for their advanced technologies, innovative solutions and strong market presence.

Electric vehicles might restrict demand for traditional engine gears in certain vehicle segments; new opportunities shall emerge for EV-specific components. Electric Vehicles (EVs) require an integrated transmission system to optimize their performance, efficiency, and driving experience. Unlike traditional multi-gear systems, these advanced single or multi-speed gearboxes enhance acceleration, energy efficiency, and overall vehicle functionality. While providing these features, EVs also require high efficiency for improved range and have strict noise, vibration, and harshness (NVH). Therefore, while electric motors are silent, electric transmission must meet these NVH requirements.

Detailed assessment of the gear component market and gear-box assembly market is provided below.

Gear components

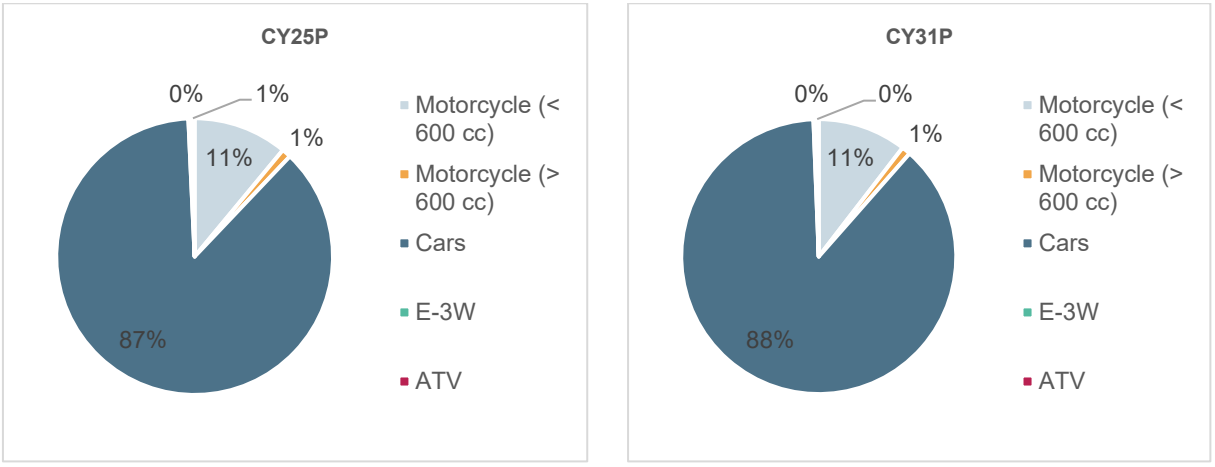
Market sizing for gear components (CY25E to CY31P)



Note:
1. Above figures comprise of values for India, United States, EU, and ASEAN
2 Vehicle segments included for market sizing of gear components are motorcycles, passenger cars, three-wheelers and ATV
3 Gear components segment covers - Engine Gear and Transmission gear, shafts, and gear-set assemblies
Source: Mordor Intelligence, CRISIL Intelligence

The size of the market for gear components is estimated to clock a CAGR of 5 to 7% between calendar years 2025 and 2031. In calendar 2025, the estimated market size is anticipated to be in the range of Rs 3,000 to 3,100 billion, whereas in calendar 2026, it is expected to increase 3 to 5% to Rs 3,100 to 3,200 billion. Global markets are going to drive the gear components market in the next five years, with 80 to 85% share by 2031, leaving India with the remaining share of 15 to 20%, or Rs 4,250 to 4,350 billion in calendar 2031.

Share of vehicle categories for market sizing of gear components



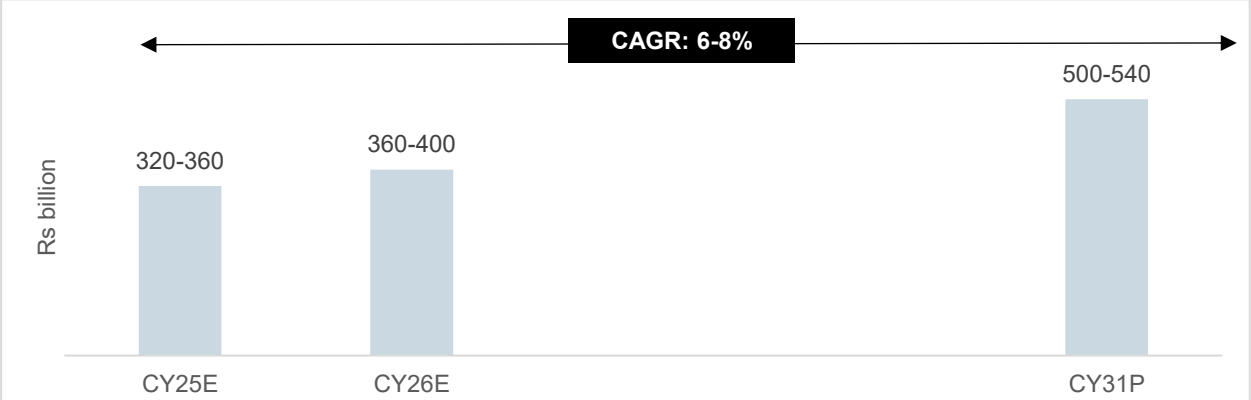
Source: Mordor Intelligence, CRISIL Intelligence

Within the motorcycle segment, greater than 600 cc motorcycles are ICE-driven, which require the integration of efficient gear components, thereby contributing to the growth of gear components market. Consumers from Europe and North America will form a major customer base for motorcycles with more than 600 cc, due to the growing disposable income. Moreover, the penetration of e-motorcycles is significantly lower, with major manufacturers still in the research and development phase.

While EVs might restrict some demand for traditional engine gears in certain vehicle segments, new opportunities shall emerge for EV-specific components, such as electric motor gears that will continue to drive the overall gear components market.

Gear-box assembly

Market size of for gear-box assembly — India (CY25E to CY31P)



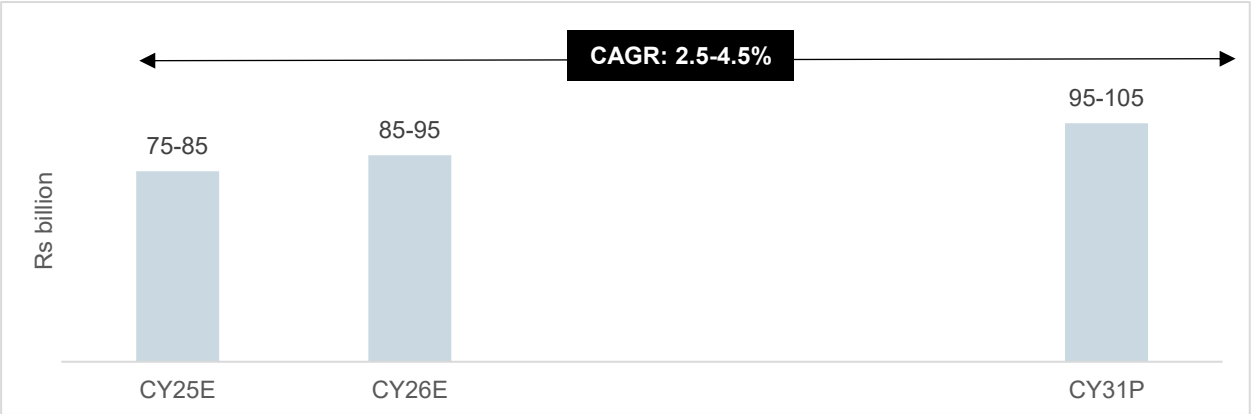
Note:
1. Above figures comprise values for India
2 Vehicle segments included for market sizing of gear-box assembly are cars and e-3W
Source: Mordor Intelligence, CRISIL Intelligence

The market size of gear-box assembly for Indian markets is estimated to clock a CAGR of 6 to 8% during calendars 2025 to 2031. In calendar 2025E, the estimated market size is anticipated to be in the range of Rs 320 to 360 billion, whereas in calendar 2026E, it is expected to increase by 9 to 11% on-year. Cars are going to dominate the overall market value with over 90% share. The market value in calendar 2031P is expected to reach Rs 500 to 540 billion.

The passenger vehicle industry is expected to grow at a 5 to 7% CAGR between fiscals 2026 and 2031, majorly driven by continued traction towards UVs (Utility Vehicles) (7 to 10% CAGR during the same period).

On the other hand, the Indian three wheelers industry (ICE) is expected to witness a de-growth of 1 to 3% CAGR between fiscals 2026 and 2031. Growth will likely be outweighed by the broader shift towards electrification.

Market sizing for gear-box assembly — global (CY25E to CY31P)



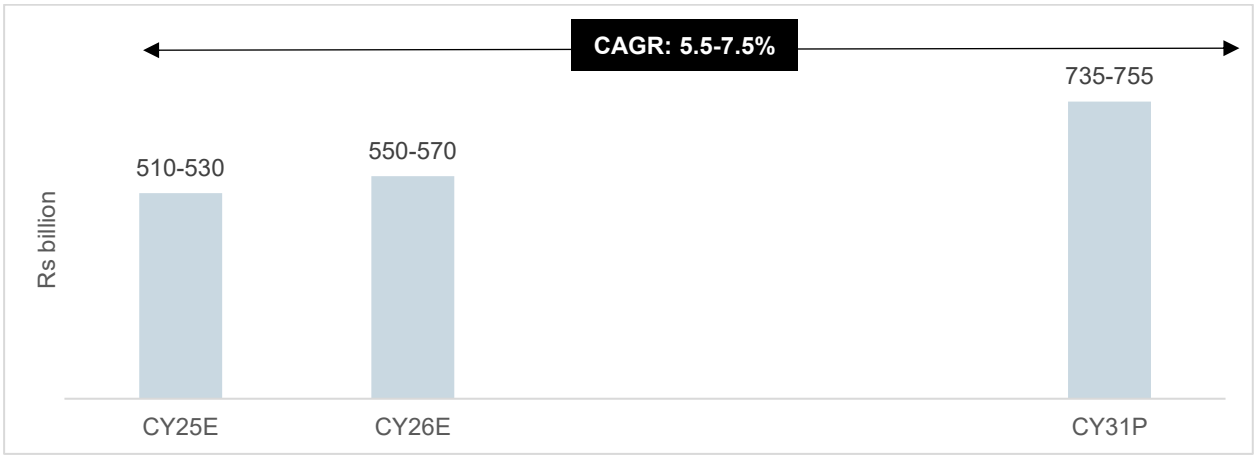
Note:
1. Above figures comprise of values for United States, EU, and ASEAN
2. Vehicle segments included for market sizing of gear-box assembly are motorcycles (>600 cc) and ATV
Source: Mordor Intelligence, CRISIL Intelligence

The market size of gear-box assembly for global markets is estimated to clock a CAGR of 2.5 to 4.5% during calendars 2025 to 2031. In calendar 2025E, the estimated market size is anticipated to be in the range of Rs 75 to 85 billion, whereas in calendar 2026E, it is expected to be Rs 85 to 95 billion market size. Motorcycles (>600 cc) are anticipated to dominate the overal market with more than 70% overall share, thus reaching a market size of Rs 95 to 105 billion in calendar 2031P.

Gearbox assembly components for ICE (internal combustion engine) operated motorcycles with more than 600 cc are crucial components since they assist in housing essential components, such as gears, shafts, bearings, and casings, which allows the motorcycle to amplify low-speed torque to facilitate its movement. As manufacturers have started to focus more on producing higher cc motorcycles, thus the need for advanced gearbox assembly components shall see a surge in the coming years leading to significant technological upgradations from the manufacturers. Electrification of motorcycles is less likely to impact the ‘greater than 600 cc’ segment.

Body components for two-wheelers

Market sizing for body components (CY25E to CY31P)

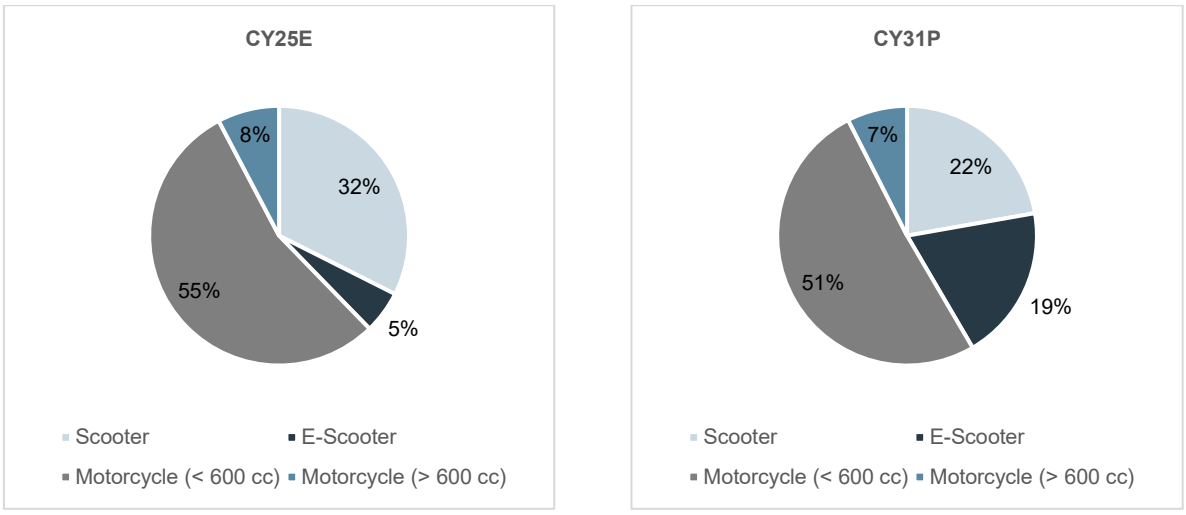


Note:
1. *Above figures comprise of values for India, United States, EU, and ASEAN*
2. *Vehicle segments included for market sizing of body components are scooters, e-scooters, and motorcycles*
3. *Body components segment covers - swing arm, mainstand, chaincase, rims, engine guard, handlebars, sariguard*

Source: Mordor Intelligence, CRISIL Intelligence

The market size of body components is estimated to clock a CAGR of 5.5 to 7.5% during calendars 2025 to 2031. In calendar 2025, the overall estimated market size is anticipated to hover in the range of Rs 510 to 530 billion, whereas in calendar 2026, it is expected to increase by 7 to 9%. Both global and Indian markets are anticipated to equally drive the body components market with India expected to hold the majority share with 55 to 60% and remaing share to be contributed by the US, Europe and ASEAN, and is thus estimated to reach a market size of Rs 735 to 755 billion in calendar 2031.

Share of vehicle categories for market sizing of body components



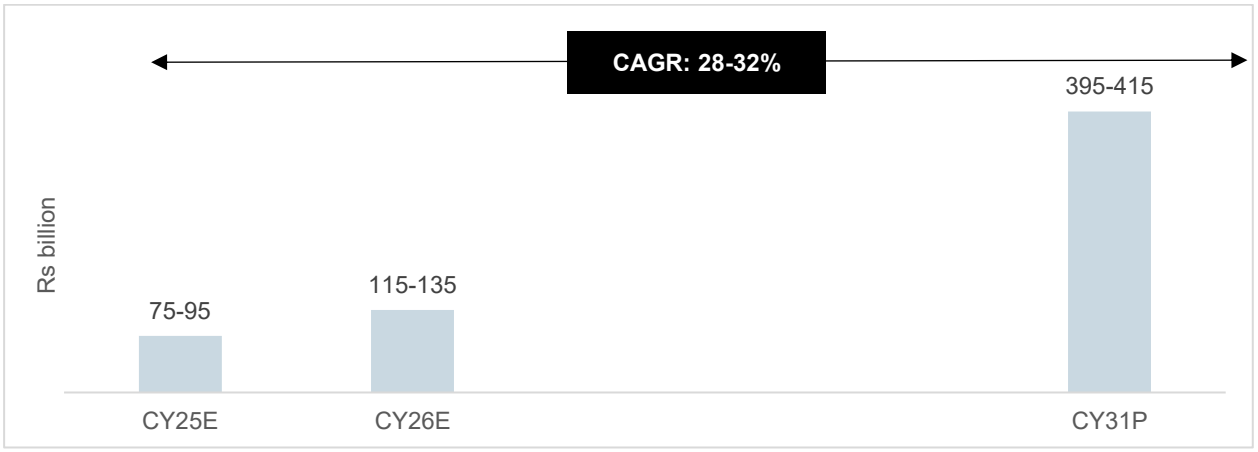
Source: Mordor Intelligence, CRISIL Intelligence

With the integration of e-scooters in the market and the investment to develop charging infrastructure worldwide, the body-components market for e-scooters is expected to showcase surging growth during the forecast period. The e-scooter industry is expected to grow at a 23 to 26% CAGR between calendars 2024 and 2031. The share of contribution of motorcycles (both <600cc and >600 cc) is expected to decline marginally, mainly driven by slow growth for 'less than 600 cc' vehicles. However, above 600 cc' motorcycles are expected to grow at a faster rate of 1 to 4% CAGR between 2024 and 2031, driven by the increasing per-capita disposable income of consumers and the growing preference for availing of luxury motorcycles for aspirational purposes, thus resulting in improved share for the body-components market.

There is a rapid shift toward utilizing lightweight materials to manufacture body components for two-wheelers, which helps in reducing the vehicle weight and carbon emissions. Therefore, two-wheeler manufacturers increasingly prefer aluminium for body components, due to its higher strength-to-weight ratio, heat dissipation, and corrosion resistance. Moreover, the interatom of electric two-wheelers further benefits the demand for advanced body parts and components. A few key manufacturers in India such as Badve Group, Sandhar Technologies, Munjal Auto Industries and Mangum Inc. have played a pivotal role in the growth of the body components industry and have made pioneering advancements to match the industry requirements.

Electric drive motors for e-scooters and e-three wheelers

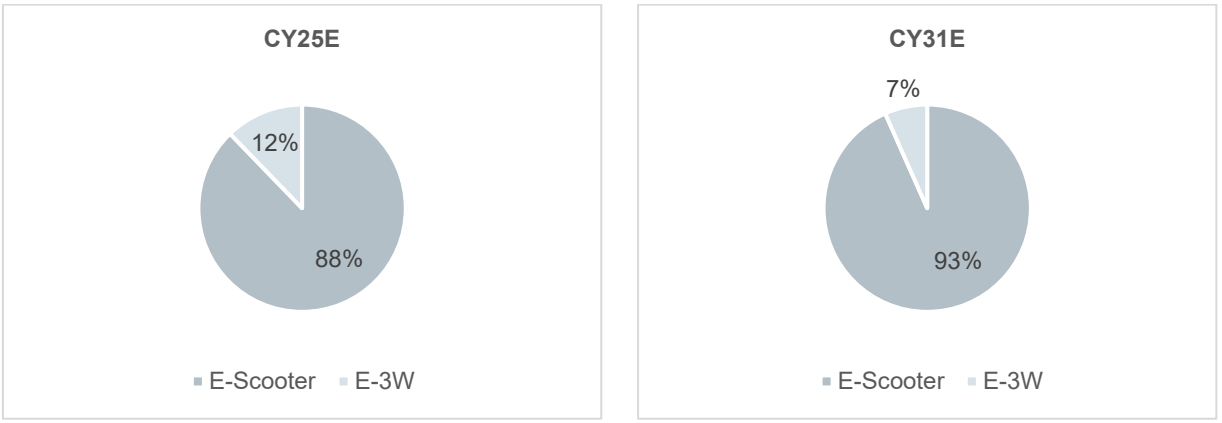
Market sizing for electric drive motors (CY25E to CY31P)



Note: Above figures comprise of values for India, United States, EU, and ASEAN
Source: Mordor Intelligence, CRISIL Intelligence

The market size of electric-drive motors is estimated to clock a CAGR of 28 to 32% during calendars 2025 to 2031. In calendar 2025, the overall estimated market size is anticipated to hover in the range of Rs 75 to 95 billion. The market is expected to witness a double-digit growth of 45 to 50% in the calendar year 2026 to Rs 115 to 135 billion. Faster adoption of electrification, especially in e-scooters segment, is going to be a key driver for electric-drive motors with major geographies shifting their focus to clean mobility. Owing to that, the market value of electric-drive motors in calendar 2031 is estimated to be in the range of Rs 395 to 415 billion.

Share of vehicle categories for market sizing of electric drive motors



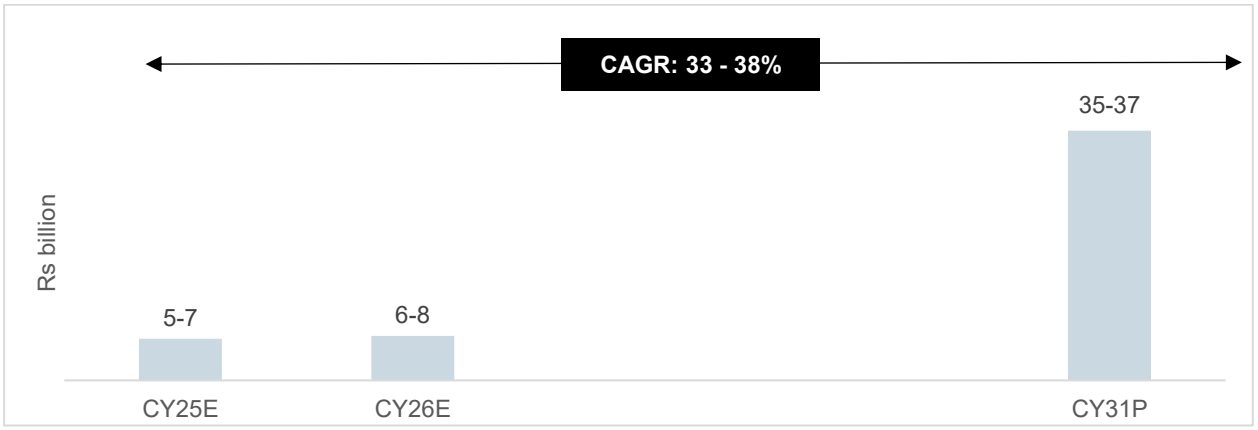
Source: Mordor Intelligence, CRISIL Intelligence

E-scooters is the prominent segment that majorly contributes to the overall market value of electric drive-motors, with over 88% share in calendar year 2025 and over 90% share in calendar year 2031. The e-scooter segment is estimated to witness a robust uptick of a 28 to 32% CAGR between calendars 2025 to 2031. The rising demand for food-delivery services and the government's increasing focus on decarbonising the transportation sector are contributing to the growth of the electric-scooters market. The advent and adoption of electric scooters in the market led to an increasing demand for electric drive motors, as they form a crucial component in powering the motion of these scooters. Apart from their usage in the private transportation medium, e-scooters are being increasingly deployed for ride-hailing services, which, in turn, positively impact the growth of electric-drive motors to sustain the rising sales of e-scooters.

Electric three-wheelers are increasingly preferred for last-mile delivery services and passenger transportation. To cater to the growing demand, various component manufacturers are ramping up their production capacity of electric drive motors, which is the key component in these vehicles.

CVT hubs

Market sizing for CVT hubs (CY25E-CY31P)



Note:
1. Above figures comprise of values for India, United States, EU, ASEAN and Japan
2. Vehicle segments included for market sizing of CVT Hubs are bicycles and e-bicycles
Source: Mordor Intelligence, CRISIL Intelligence

The market size of CVT hubs is estimated to clock a significant CAGR of 33 to 38% during calendars 2025 to 2031. In calendar 2025, the overall estimated market size is anticipated to hover in the range of Rs 5 to 7 billion, whereas in calendar 2026, it is expected to hover in the range of Rs 6 to 8 billion, which is an increase of 6 to 8% on-year. Increasing global demand for e-bikes is going to be a key driver for the continuous variable transmission (CVT) hubs market. Owing to that, the market value of CVT hubs in calendar 2031 is projected to be in the range of Rs 35 to 37 billion.

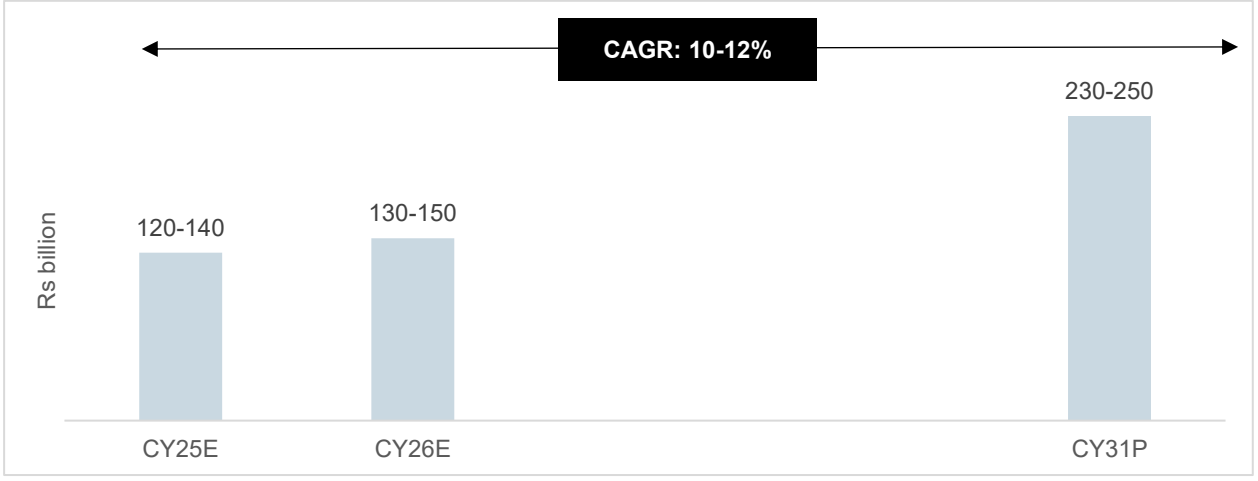
Bicycle riders can choose between a CVT or internal gear hubs that assist in operating these bicycles. Essentially, riders increasingly prefer CVT hubs due to their benefit of automatically changing gears based on speed and the pathway. Furthermore, silent operation makes it a compelling choice for cyclists seeking a hassle-free and enjoyable ride, setting it apart from traditional gear systems that often require manual gear changes, frequent adjustments, and are prone to wear-related issues. With a substantial sale of electric bicycles (6 to 9% CAGR growth between CY25 to 31), various manufacturers in the ecosystem are actively strategizing to integrate CVT hubs in their electric bicycles to provide seamless transportation service to customers and enable the incorporation of the latest technology in their products. The growth of CVT hubs is incentivized with the market's shortage of options to meet performance, and reliability demands of e-bike riders in current times.

E-CVT system breaks these barriers by combining motor and CVT functionalities at competitive price points, catering specifically to rear-drive motor e-bikes. The hub-motor bicycle market is estimated to grow by 2 to 4% CAGR during calendar years 2025 to 2031, thus enabling the fast-paced acceptance of CVT products and resulting in rising penetration levels up to 2.5 times in the coming 5 to 6 years.

Thus, the increasing popularity of e-bikes, advantages offered by CVT hubs in terms of rider experience and efficiency, and advancements in CVT hub technology leading to potentially lower costs and lighter weight will all contribute to this growth.

Electric drive motors for e-bikes

Market sizing for electric drive motors (CY25E to CY31P)



Note: Above figures comprise of values for India, United States, EU, ASEAN and Japan
Source: Mordor Intelligence, CRISIL Intelligence

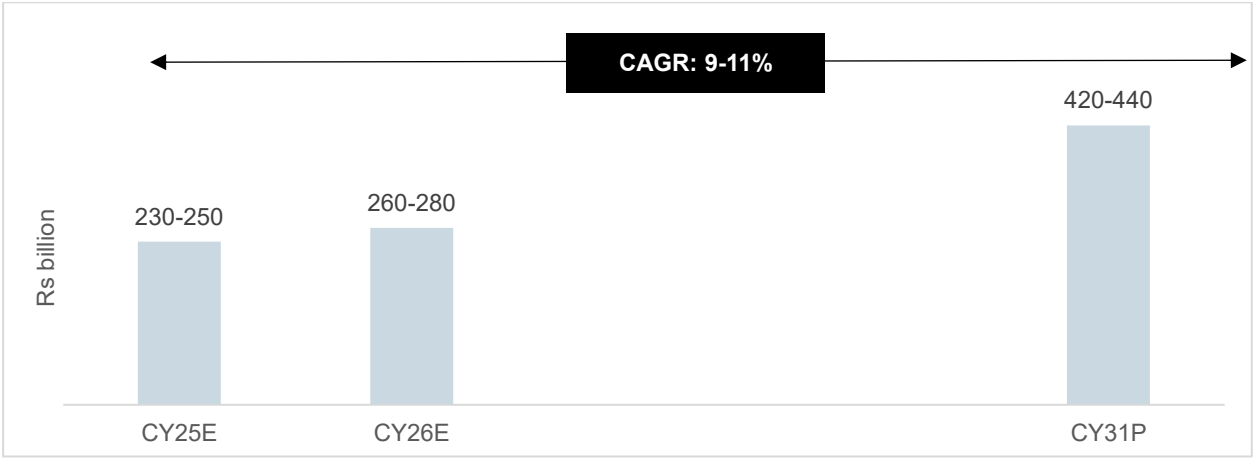
Market size of electric drive motors is estimated to clock a significant CAGR of 10 to 12% during calendars 2025 to 2031. In CY25E, the overall estimated market size is anticipated to hover in the range of Rs 120 to 140 billion whereas in calendar 2026E, it is expected to witness a growth of 8 to 10% on-year. As electric bicycles are experiencing significant change in consumer demographics with an increasing spending capacity of people, the rise of electric drive motor market is inevitable. Thus, the market value of electric drive motors in calendar 2031 is expected to be in the range of Rs 450 to 470 billion.

The burgeoning electric bicycle market is acting as a significant catalyst for growth in the electric drive motor market. With consumers' rising preference for healthy living and increasing demand for recreational activities, there is a massive demand for electric bicycles worldwide. Furthermore, this market is undergoing a diversification of styles and functionalities. This encompasses everything from utilitarian cargo bikes to high-performance models, each requiring specific electric drive motors tailored to optimize power, efficiency, and the overall riding experience. This diversification presents exciting opportunities for a wider range of electric drive motor manufacturers to cater to these niche markets. Technological advancements are another key driver of growth. Continuous improvement in electric motor technology is leading to the development of lighter, more efficient, and more powerful motors. Electric vehicles require high efficiency for improved range and have strict noise, vibration, and harshness (NVH), which is served efficiently by electric motors that are relatively silent and meet NVH requirements.

Cost considerations are a primary concern. Electric drive motors are expensive which adds up to the production costs for manufacturers, potentially impacting the affordability of electric bicycles for some consumers. Despite that, the electric drive motor market for electric bicycles is projected to experience substantial growth in the next five years. This growth will be driven by government’s aggressive push toward promoting sustainable mobility and manufacturers investing hefty sums in developing advanced electric bicycle models which will in-turn push motor manufacturers to provide cost-effective customized solutions.

Electric drive unit for e-bikes

Market sizing for electric drive unit (CY25E to CY31P)



Note:
1. Above figures comprise of values for India, United States, EU, ASEAN and Japan
2. Electric drive unit for e-bikes segment covers - Battery, motor and controller
Source: Mordor Intelligence, CRISIL Intelligence

The market size of electric drive units is estimated to clock a significant CAGR of 10 to 12% during calendar 2025 to 2031. In calendar 2025E, the overall estimated market size is anticipated to hover in the range of Rs 230 to 250 billion, whereas in calendar 2026E, it is expected to hover in the range of Rs 260 to 280 billion. Electric drive units are the primary component of an e-bike consisting of several other components, such as motors, battery and sensors. Thus, the overall growth of EDU depends on the growth of these individual components. The market value of electric drive units in calendar 2031P is expected to be in the range of Rs 420 to 440 billion.

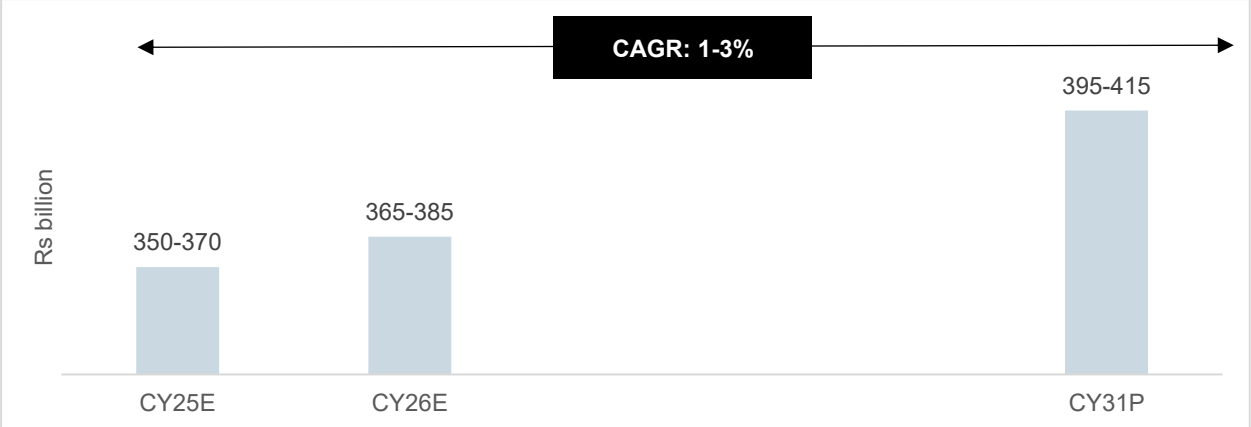
The e-bikes market is experiencing rapid growth due to increasing demand, but the supply chain ecosystem is still evolving, which poses a constraint in finding a comprehensive cost-effective EDU solution. E-Bike OEMs currently procure individual components for these drive units and to ensure seamless operation of the bike, the components must communicate effectively with one another. However, since these components were originally developed independently, it poses a significant challenge for OEMs to achieve the desired integration within the available development timeline. At present, there are few providers offering fully integrated systems, and those that do offer only a limited range of options. Hence, among the crucial components of an e-bike, the drive unit stands out as the most critical. Electric drive units in electric bicycles are the major source that generates power to propel the vehicles without pedaling, such as throttle-based e-bikes. In recent years, an increasing preference for electric-propelled bicycles has contributed to the market’s growth.

The global EDU market is not just riding the wave of e-bike popularity in global geographies, technical advancements within EDUs themselves are further fuelling this expansion. Motor technology is at the forefront, with permanent magnet synchronous motors (PMSMs) emerging as a more efficient and powerful alternative to traditional brushed DC motors. This translates to a longer range and improved hill-climbing ability for e-bikes, making them even more appealing to riders. Gearing systems are also evolving. Modern EDUs are becoming increasingly sophisticated with the integration of advanced sensors, such as torque and speed sensors.

Increasing investments by the government to construct pathways specifically for riding bicycles across Europe serve as a significant determinant for the growing sales of e-bicycles. Additionally, the rising preference of consumers for mountaineering and adventurous activities is facilitating the growing sales of e-bicycles since these bicycles help them to utilize less workforce and can easily scale a mountainous road. All these factors will collectively boost demand of electric drive unit in the coming years and providing cost effective solution may help such solution providers to meet the customer requirements and penetrate the market.

Body components for bicycles

Market sizing for body components (CY25E to CY31P)



Note:
1. Above figures comprise of values for India, United States, EU, ASEAN and Japan
2. Body components included for market size are alloy frames, suspension forks, rims, handlebars, seats, grips
Source: Mordor Intelligence, CRISIL Intelligence

The market size of alloy frames, suspension forks, handlebars, seats, and grips is estimated to clock a CAGR of 1 to 3% during calendars 2025 to 2031. In calendar 2025E, the overall estimated market size is anticipated to hover in the range of Rs 350 to 370 billion, whereas in calendar 2026E, it is expected to hover in the range of Rs 365 to 385 billion. As the popularity of e-bikes projects an increasing trajectory along with wider acceptance, these components are going to be directly benefited, thus taking the market value to Rs 395 to 415 billion in calendar 2031P.

Player Profiling of Key Automotive Component Companies

Company Profiling

CIE Automotive India Limited

Background and overview

CIE Automotive India Ltd. (Earlier known as Mahindra CIE Automotive Limited (MCAL) is part of the CIE Automotive Group of Spain and is the CIE Automotive Groups vehicle for its forgings business globally. The company has 27 manufacturing facilities including 4 manufacturing facilities in Europe and one1 in Mexico. The company, therefore, draws from the vast and varied experience of the CIE group in partnering and co-developing products for the rapidly evolving automotive industry. The company largely operates in the automotive markets of Europe and India. In Europe, the Company supplies components mainly to light vehicles approx.~50% and rest divided between heavy truck and off highway markets with a comparatively small business in the offroad sector. In India, the company is more diversified and supplies components to the light vehicles segment (both passenger vehicles and light commercial vehicles), two wheelers, tractors, medium and heavy commercial vehicles, in order of dependence.

In calendar 2025, CIE India's consolidated sales were Rs 94,064.74 million, 5% higher than that in calendar 2024. The company's strategy continues to focus on operational efficiency, technology-led product development, disciplined capital allocation, and maintaining a balanced presence across multiple vehicle segments and geographies. Forged aluminium parts are expected to constitute a significant part of car forgings sales by 2027. CIE India's European vertical which makes gears for off road and tractors, will not be much affected by electrification. But here too, they have acquired significant business for BEV transmission parts. Electric vehicles will mean a greater emphasis on stamped, plastic, and aluminium parts compared to forged, cast, or machined parts. As the supplier ecosystem for EVs

is at a nascent stage, EV Original Equipment Manufacturers (OEMs) are looking to partner with suppliers who have quality and pedigree. Therefore, the transition to EVs may be more of an opportunity rather than a risk.

Endurance Technologies Limited

Background and overview

Endurance is a leading global automotive components manufacturer with a diversified product base including aluminium die castings, transmissions, braking systems, and suspension products. Starting with two aluminium die casting machines in 1985, they have grown to 34 manufacturing facilities strategically located near their Original Equipment Manufacturers (OEMs), in India and overseas. They are known for their aluminium die-casting products and are currently serving the two-wheeler, three-wheeler, and four-wheeler original equipment manufacturers (OEMs). The company also has presence in Europe, through its overseas subsidiaries in Italy and Germany. It is making continuous efforts to increase the share of value-added products in its product mix, including products for EVs. The company's established products of brakings, suspensions, and aluminium die-casting components are EV-agnostic. Endurance markets such EV components to both the established Original Equipment Manufacturers (OEMs) and the new two-wheeler and three-wheeler EV OEMs.

During fiscal 2026, consolidated total revenue grew by a significant 26% over fiscal 2025, mainly on account of the industry growth, order intake, capacity creation, and higher metal prices. Consolidated EBITDA grew by 25%, while consolidated EBITDA margin was at 14.2% and net profit grew by 14% to ₹9,520 million in Fiscal 26. Indian operations accounted for 67% of our consolidated total income, and the remainder was from overseas operations.

The company sees huge growth potential in the EV space. Its current EV product portfolio includes suspension front forks and rear shock absorbers, disc brakes, ABS, driveshaft, and different types of aluminium castings, including case transmissions, battery housings, motor housing. To harness the huge EV opportunity, Endurance acquired a 51% equity stake in Maxwell Energy Systems Private Limited and the balance 49% stake will be acquired in a phased manner. Maxwell is in the business of advanced electronics, particularly in the battery management space (BMS) for automobile EVs and stationary storage.

Sona BLW Precision Forgings Limited

Background & Overview

The journey of the company started in 1995 as Sona Okegawa Precision Forgings, which was a 75:25 joint venture between the Sona Group and Mitsubishi Materials and the pioneer of warm forged near net-shaped gears manufacturing technology. The Sona Group, after acquiring Thyssen Krupp's forging business (which acquired BLW, the inventor of warm forging) and 25% stake of Mitsubishi, renamed the company to Sona BLW Precision Forgings, which became a renowned manufacturer of forged gears. In 2019, Sona BLW acquired Comstar Automotive, a designer and manufacturer of starting and charging systems for automobiles and created a new identity.

The company is engaged in the production of differential assemblies, differential gears, conventional and micro-hybrid starter motors, belt starter generator (BSG) systems, electric vehicle (EV) traction motors, such as brushless direct current (BLDC) and permanent magnet synchronous motors (PMSM) and motor control units. Its driveline technology products include precision forged gears and couplings, and e-drive, among others. Its products offer application across various vehicle categories includes electric vehicles, conventional passenger vehicles, commercial vehicles, off-highway vehicles, electric light commercial vehicles, and electric two and three electric wheelers. As of 2026, majority of the company's revenue is generated from the passenger vehicle business (49%), followed by commercial vehicles (9%), off-highway (31%) and electric two-wheelers and electric three-wheelers (10%).

The company's revenue, EBITDA, and PAT have grown 26%, 13%, and 11% respectively in fiscal 2026. The company's BEV revenue share rose to 26%. Sona anticipates exponential growth in this domain as both the number of EV programmes and EV customers globally have increased compared to the previous year, now totalling 67 EV programmes across 35 customers in 4 geographies respectively.

Uno Minda Limited

Background & Overview

Uno Minda Group started its journey in the year 1958, which subsequently led to establishment of Uno Minda Limited ('Uno Minda' or 'The Company') in 1992. They are a prominent manufacturer and supplier of proprietary automotive solutions and systems to Original Equipment Manufacturers (OEMs). The company has a well-diversified product portfolio with client base, both globally and domestically. Over years, the company has diversified its products (acoustics, switches, castings, lighting, seatings, and others), segments (four-wheeler, two-wheeler, three-wheeler & commercial vehicle) and geographies (international and domestic) and channels (replacement & OEMs). Uno Minda has also built formidable electric vehicle specific products portfolio, leading the automotive industry transition into electric mobility. The company manufactures and supplies over 20 categories of automotive components and systems to leading Indian and international OEMs based in India, Asia, South and North America and Europe.

The company demonstrated excellent performance with 17% growth in annual revenue to Rs 19,589 crores in fiscal 2026 as against Rs 16,775 crores in the previous fiscal. EBITDA for the same period in fiscal 2026 was Rs 2,182 Crores compared with Rs 1,874 crores in fiscal 2025. EBITDA margin was higher at 11.1% in fiscal 2026, as against 11.2% in the previous fiscal, due to benefits of operating leverage, partially offset by higher material costs. As the adoption of electric vehicles grows, the distribution networks for automotive electrical systems will progress. Uno Minda has a diverse product portfolio catering to both global and domestic markets. Uno Minda has been steadily expanding its footprint by adding capacity, products and channels while focusing on infrastructure, technology and research and development. The company has a robust in-house product development capability including localisation of products, aided by a team of over 1200 engineers, filling more than 444 patent applications and over 463 design registrations.

Varroc Engineering Limited

Background & Overview

Varroc Engineering Limited is a global tier-1 automotive component company who commenced operations in India with polymer business in 1990. The company designs, manufactures, and supplies exterior lighting systems, plastic and polymer components, electrical-electronics components, and precision metallic components to passenger cars, commercial vehicles, two-wheelers, three-wheelers and off-highway vehicle OEMs directly worldwide.

Varroc's strong R&D capabilities and technological partnership have helped it to develop products and serve customers as per the emerging mega trends of safer, greener, smarter and connected vehicles in automotive space. With over three decades of relentless commitment to excellence and performance, Varroc offers the best design solutions that provides its customers a competitive edge in its markets.

Consolidated revenue from continued operations was Rs 8890.5 crore in fiscal 2026, registering a growth of 9% on-year. Consolidated EBITDA margin for continued operations for fiscal 2026 was 9.4%, compared to 9.5% in Fiscal 2025 due to high overseas R&D spent. The company has also commercialised its products developed by its R&D, such as electronic fuel injection (EFI) for ICE vehicles, and various products, such as traction motors, traction controllers, transmission control unit (TCU)s, and DC-DC convertors for electric vehicles. The company has 37 manufacturing facilities and 130+ patents.

Hero Motors Ltd.

Background & Overview

Hero Motors is a part of HMC group, led by Mr. Pankaj Munjal. It is one of India's leading automotive technology companies designing, manufacturing, and supplying highly engineered powertrain[2] solutions catering to automotive OEMs in US, Europe, India and ASEAN regions. It is amongst the few companies in India that operates an international product development and design center.

Their powertrain solutions segment is operated as two sub-units based on end applications served, namely, Gears and Transmissions (G&T), serving a wide range of automotive and other mobility applications, and Bike Powertrain (BPT), focused on the applications for the micro-mobility sector, i.e., small, lightweight vehicles like e-scooters, bicycles, and e-bikes used for short-distance travel in urban areas.

Their components cater to various vehicle segments, such as two-wheelers, passenger vehicles, e-bikes and ATVs. In two-wheelers, Hero Motors is among the few companies in India with a global and premium[3] customer base that includes companies like Ducati, Harley Davidson, and BMW to name a few. Over the past five years, the company has expanded its market presence across automotive segments and has grown to become one of the preferred choices for premium two-wheeler OEMs[4] globally. Hero Motors is recognised for its leadership in the development and production of continuously variable transmission (CVT) technology, electric vehicle transmissions, electric motors, integrated drive units and gear sets. The company's expertise in precision gear components and the full transmission

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2 Powertrains are integrated systems designed to propel a vehicle by converting energy into motion. They include the engine or motor, energy storage systems, the transmission, driveshaft, and other related components that work together to deliver power to the vehicle's wheels.

3 The Premium/High-Performance ICE Segment includes vehicles known for their luxury features or strong performance, sometimes both. These vehicles are designed to offer a satisfying driving experience, featuring powerful engines, advanced technology, quality construction, and comfortable user experience. Generally, motorcycles with engine sizes over 600cc and cars with engine sizes above 2 liters fall into this category

4 Premium OEMs in the two-wheeler segment refer to manufacturers who position their vehicles at the higher end of the market in terms of quality, features, and pricing. These OEMs typically offer vehicles with advanced technology, superior performance, and luxurious amenities compared to mainstream or budget brands. Examples of premium OEMs in the two-wheeler segment include Harley-Davidson, Ducati, BMW Motorrad, Triumph, and Yamaha's higher-end models, among others.

system experience, powertrain neutral[5] A&M products, has developed them as one of the few players in India to benefit with the accelerated electrification trends.

Hero Motors is the only player manufacturing and exporting CVT hubs to the global e-bike OEMs from India and are the only manufacturer of integrated electric powertrain products for e-bikes in India. It was among the first companies in India to capitalise on the global e-bike powertrain opportunity and has a distinct first-mover advantage in this industry.

Beyond electric vehicles, Hero is among the few companies that addresses requirements of the premium ICE and performance ICE segment that require high-performance transmission systems capable of handling tough torque needs while keeping components lightweight.

The company's joint venture, HYM Drive Systems (HYM), is one of the companies in the global hub motor product segment, where two automotive brands are combined to develop high-quality products.

To expand its presence in the UK, Hero Motors acquired a strategic stake in the UK-based company called Hewland Engineering, in fiscal 2021 and majority stake in fiscal 2023. The UK company specialises in transmission design technology and has an established motorsport customer base. The company's revenue from operations increased from Rs 9,142 million in fiscal 2022 to Rs 10,644 million in fiscal 2024, growing by 16.43%. They are one of India's leading solutions providers to the global e-mobility[6] industry, with their revenue from sales to the e-mobility industry as a percentage of total revenues being 19.58% in fiscal 2022, 22.10% in fiscal 2023, and 12.03% in fiscal 2024.

Operational parameters

Player-wise financial comparison — Business segments (domestic)

1. Uno Minda Limited

Uno Minda Limited			
Business Segment	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
Switches	26.00%	25.00%	25.00%
Lighting	24.00%	23.00%	23.00%
Castings	20.00%	19.00%	19.00%
Green Mobility	6.00%	8.00%	7.00%
Seating	8.00%	7.00%	7.00%
Others	16.00%	18.00%	19.00%

Note: The percentages mentioned above are reported in the company's investor presentations
Source: Company Investor presentations, Crisil Intelligence

2. Varroc Engineering Limited

Varroc Engineering Limited		
Business Segment	**Fiscal 24**	**Fiscal 25**
EBU	37.80%	37.50%
PBU	32.30%	34.70%
Aftermarket	8.40%	8.50%
MBU	11.90%	11.80%
Others	9.60%	7.50%

Business Segment	Fiscal 26
Body Parts	35.20%
Ice Powertrain	25.10%
Lighting Solutions	16.90%
After Market	10.0%
E-Mobility	6.20%
HMI Connectivity	3.90%
Overseas	2.70%

Note: The percentages mentioned above are reported in the company's investor presentations
Note: EBU – Electrical and Electronics Business Unit; PBU – Polymer Business Unit; MBU – Metallic Business Unit
Note: Company changed business segment classification in Fiscal 26, hence a separate table is showcased with new classification.
Source: Company Investor presentations, Crisil Intelligence

3. CIE Automotive India Limited

[5] **Powertrain Neutral Components**: Powertrain Neutral components refer to vehicle components that are not specific to a particular type of powertrain (internal combustion engines, electric motors, or hybrid systems). These components are used across the vehicles with different types of powertrains.

[6] **E-mobility**: E-mobility encompasses electric-powered transportation, including vehicles like e-bikes, cars, buses and aircrafts.

CIE Automotive India Limited				
Business Segment	**CY22**	**CY23**	**CY24**	**CY25**
Forging	37.00%	38.00%	37.00%	35.00%
Stampings	20.00%	20.00%	21.00%	23.00%
Aluminium	19.00%	18.00%	19.00%	18.00%
Castings	12.00%	11.00%	11.00%	11.00%
Gears/Machining	6.00%	6.00%	6.00%	6.00%
Others	6.00%	7.00%	6.00%	7.00%

Note: The percentages mentioned above are reported in the company's investor presentations
Source: Company Investor presentations, Crisil Intelligence

4. Endurance Technologies limited

Endurance Technologies limited			
Business Segment	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
Die Casting	42.50%	42.40%	46.60%
Suspension	25.50%	25.50%	24.70%
Disc Brake	11.20%	11.70%	11.50%
Alloy Wheel	7.60%	7.60%	7.20%
After Market	5.30%	5.10%	4.60%
Transmission	4.50%	4.00%	3.40%
Others	3.40%	3.70%	2.00%

Note: The percentages mentioned above are reported in the company's investor presentations
Source: Company Investor presentations, Crisil Intelligence

5. Sona BLW Precision Forgings Limited

Sona BLW Precision Forgings Limited			
Business Segment	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
Differential Assembly	24.00%	27.00%	11.00%
Micro/Plug-in Hybrid Starter Motors	24.00%	21.00%	22.00%
Differential Gears	32.00%	29.00%	17.00%
Conventional Starter Motors	10.00%	9.00%	16.00%
Other Drivetrain Parts	3.00%	3.00%	-
Railway Brake & Suspension system	-	-	21.00%
Traction Motors & Controllers	5.00%	8.00%	7.00%
Others	2.00%	3.00%	6.00%

Note: The percentages mentioned above are reported in the company's investor presentations
Source: Company Investor presentations, Crisil Intelligence

Player-wise financial comparison — Geography wise Revenue from operations (domestic)

Uno Minda Limited (figures in ₹ Million)			
Geography	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
India	120,641.80	150,812.90	174,825.80
Global	19,667.10	16,933.20	21,750.10
Total	**140,308.90**	**167,746.10**	**196,575.90**

Note: Consolidated financials are considered for all the companies.
Source: Company reports, Crisil Intelligence

Varroc Engineering Limited (figures in ₹ Million)			
Geography	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
India	65,819.06	72,669.00	NA
Asia Pacific	1,834.77	1,846.42	NA
Europe	6,178.57	5,329.91	NA
North America	758.00	1,217.27	NA
Others	928.97	478.24	NA
Total	**75,519.37**	**81,540.84**	NA

Note: Consolidated financials are considered for all the companies.
Source: Company reports, Crisil Intelligence

CIE Automotive India Limited (figures in ₹ Million)				
Geography	**CY22**	**CY23**	**CY24**	**CY25**
India (including Mexico)	45,515.60	52,898.00	60,955.68	61,142.10
Europe	42,014.40	39,905.51	28,685.02	32,922.7
Total	87,530.00	92,803.50	89,640.70	94,064.74

Note: Consolidated financials are considered for all the companies.
Source: Company reports, Crisil Intelligence

Endurance Technologies Limited (figures in ₹ Million)			
Geography	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
India	75,819.36	85,406.72	102,174.80
Outside India	26,589.35	30,201.38	43,784.00
Total	**102,408.71**	**115,608.10**	**145,958.80**

Note: Consolidated financials are considered for all the companies.
Source: Company reports, Crisil Intelligence

Sona BLW Precision Forgings Limited (figures in ₹ Million)			
Geography	**Fiscal 24**	**Fiscal 25**	**Fiscal 26**
India	11,797.43	13,142.90	24,214.36
North America	11,043.96	13,369.84	10,961.59
Europe	6,729.74	6,413.18	6,512.84
Asia (excluding India)	1,094.86	1,151.00	1,368.03
Others	1,181.71	1,383.29	1,437.78
Total	**31,847.70**	**35,460.21**	**44,494.60**

Note: Consolidated financials are considered for all the companies.
Source: Company reports, Crisil Intelligence

Research & Development Expenditure

Companies	R&D Expenditure — Fiscal 24	R&D Expenditure — Fiscal 25	R&D Expenditure — Fiscal 26
	(in ₹ Million)	(in ₹ Million)	(in ₹ Million)
Uno Minda Limited	2,242.50	2,123.30	2,609.7
Sona BLW Precision Forgings Limited	793.00	1,141.00	1,262.00
Endurance Technologies Limited	623.22	861.96	1,187.80
CIE Automotive India Limited*	NIL	NIL	NIL
Varroc Engineering Limited	1,283.19	1,629.94	NA

Note: Consolidated financials are considered for all the companies.
Source: Company Reports, Crisil Intelligence

3. THREATS AND CHALLENGES

Demand Side Challenges

1. Market Fluctuations
    - Economic Cycles: Economic downturns can lead to reduced consumer spending, impacting demand for bicycles and two-wheelers.
    - Seasonal Variations: Demand can be seasonal, with peaks and troughs that are difficult to predict and manage.
2. Consumer Preferences
    - Changing Trends: Shifts in consumer preferences, such as a move towards electric vehicles or alternative modes of transportation, can affect demand.
    - Quality Expectations: Increasing consumer demand for high-quality and reliable components can pressure manufacturers to improve their offerings.
3. Competition
    - Market Saturation: High competition in the market can lead to price wars, reducing profit margins.
    - New Entrants: Entry of new competitors with innovative products can disrupt market dynamics.
4. 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.
5. Regulatory Changes
    - Emissions Standards: Stricter emissions and environmental regulations can drive demand towards more efficient or electric components.

- Safety Regulations: New safety standards can necessitate redesigning, affecting demand for current products.

6. 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.

7. Global Market Dynamics

   - Trade Policies: Tariffs and trade barriers can affect international demand and market access.
   - Currency Fluctuations: Exchange rate volatility can impact pricing and demand in different regions.

8. Pricing Pressure

   - Cost Sensitivity: High sensitivity to price changes among end-users can limit the ability to pass on increased costs to customers.
   - Discounting: The need to offer discounts or promotions to stimulate demand can affect profitability.

Supply Side Challenges

1. Raw Material Availability and Costs

   - Scarcity: Limited availability of essential raw materials like metals (steel, aluminum, copper) can disrupt production schedules.
   - Price Volatility: Fluctuations in raw material prices can impact manufacturing costs and profit margins.

2. Supplier Reliability

   - Quality Issues: Inconsistent quality of supplied materials can lead to defects in final products.
   - Delivery Delays: Unreliable suppliers might fail to meet delivery timelines, causing production halts.
   - Dependency: Over-reliance on a single supplier can be risky if that supplier faces any disruption.

3. Global Supply Chain Disruptions

   - Geopolitical Factors: Tariffs, trade restrictions, and political instability can disrupt global supply chains.
   - Natural Disasters: Events like earthquakes, floods, or pandemics can interrupt supply chain operations.

4. 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.

5. Technological Challenges

   - Integration: Integrating new technologies into the supply chain can be complex and costly.
   - Obsolescence: Rapid technological advancements may render existing equipment and processes obsolete.

6. Regulatory Compliance

   - Environmental Regulations: Adhering to stringent environmental regulations can increase operational costs.

- Trade Regulations: Complying with international trade regulations and standards can be challenging, especially when dealing with multiple countries.

7. Labor Issues

   - Skilled Workforce Shortage: A lack of skilled labor can hamper production efficiency and quality.
   - Labor Costs: Increasing labor costs can impact the overall cost structure of manufacturing.

8. 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

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Restated Consolidated Financial Information" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 21, 148, 347 and 446, respectively, as well as the financial and other information contained in this Red Herring Prospectus.

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties and other factors, many of which are beyond our control. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Red Herring Prospectus. For details, see "Forward-Looking Statements", on page 19.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry assessment – Powertrain Solutions and Alloys & Metallics Components" dated August 2026 (the "**CRISIL Report**"), exclusively prepared and issued by CRISIL Intelligence, who were appointed by our Company pursuant to an engagement letter dated December 20, 2024, read with engagement letter dated July 16, 2026, and the CRISIL Report has been exclusively commissioned by and paid for by our Company in connection with the Offer. The CRISIL Report is available on the website of our Company at https://www.heromotors.com/investorrelationship until the Bid/Offer Closing Date, and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 561. 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 proposed Offer), that have been left out or changed in any manner. 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. For more information, see "Risk Factors – Certain sections of this Red Herring Prospectus disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 53.*

Unless otherwise stated, or the context otherwise requires, the restated consolidated financial information used in this section is derived from our Restated Consolidated Financial Information. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.

We have included various operational and financial performance indicators in this Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our Restated Consolidated Financial Information and other information relating to our business and operations included in this Red Herring Prospectus.

Overview

We are one of India's leading automotive technology companies engaged in designing, developing, manufacturing and supplying highly engineered powertrain solutions catering to automotive original equipment manufacturers ("**OEMs**") in United States, Europe, India and the Association of Southeast Asian Nations ("**ASEAN**") region. (*Source: CRISIL Report*) We are a fully integrated powertrain systems provider offering comprehensive solutions including services for designing, prototyping, validating, developing, and delivering system-level and component-level powertrain solutions for both electric as well as non-electric powertrains. Our offerings find application in two-wheelers, performance automotive, e-bikes, off-road vehicles, electric and hybrid cars, heavy duty vehicles, and electric vertical take-off and landing ("**eVTOL**") categories. We cater to requirements of our global customers such as BMW AG ("**BMW**"), Ducati Motor Holding S.P.A. ("**Ducati**"), Enviolo International Inc ("**enviolo**"), Formula Motorsport Ltd ("**Formula Motorsport**"), HUMMINGBIRDEV Inc. ("**Hummingbird EV**"), HWA AG ("**HWA**") and leading global electric bicycle ("**e-bike**") manufacturers and other mobility applications such as aerospace. We are among the few companies that address the requirements of the premium ICE and performance ICE segment that require high-performance transmission systems capable of handling tough torque needs while keeping components lightweight. (*Source: CRISIL Report*) We are a technology and innovation driven company and have made significant investments into our in-house design and engineering capabilities as well as forging technology partnerships with global players to enhance our expertise and product and service offerings.

We are recognized for our leadership in the development and production of continuously variable transmissions ("**CVT**"), electric vehicle ("**EV**") transmission, electric motors, integrated drive units and gear sets. We were among the first companies in India to capitalize on the global e-bike powertrain opportunity and have a distinct first mover advantage in this industry. We are the only player manufacturing and exporting CVT hubs to global e-bike OEMs from India, and are the only manufacturer of integrated electric powertrain products for e-bikes in India. (*Source: CRISIL Report*)

Our operations are organized into: (i) Powertrain Solutions; and (ii) Alloys and Metallics ("**A&M**") business segments. Powertrains are integrated systems designed to propel a vehicle by converting energy into motion. They include the engine or motor, energy storage systems, the transmission, driveshaft, and other related components that work together to deliver power to the vehicle's wheels. (*Source: CRISIL Report*) Our Powertrain Solutions segment is operated as two sub-units based on end applications served, namely, Gears and Transmissions ("**G&T**"), serving a wide range of automotive and other mobility

applications, and Bike Powertrain ("**BPT**"), focused on the applications for the micro-mobility sector, i.e., small, lightweight vehicles like e-scooters, bicycles, and e-bikes used for short-distance travel in urban areas *(Source: CRISIL Report*) and caters to leading global e-bike manufacturers. Our A&M segment is engaged in providing sheet metal and tubular assemblies and component solutions, primarily to automotive OEMs. Our strategy has been to focus on continuous value addition and development of complete systems by utilizing advanced technology to deliver e-mobility solutions to customers.

The table below sets forth the breakdown of our revenue from operations from Powertrain Solutions and A&M segments for Fiscal 2026, 2025 and 2024:

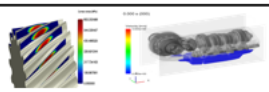
Segment	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Powertrain Solutions (A)	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
- Gears and Transmission	4,888.83	41.14%	4,527.34	41.55%	4,180.50	39.28%
(i) EV	1,198.10	10.08%	891.06	8.18%	259.02	2.43%
(ii) Non-EV	3,690.73	31.06%	3,636.28	33.37%	3,921.48	36.85%
- Bike Powertrain	1,488.70	12.53%	815.13	7.48%	1,021.81	9.60%
(i) EV	1,488.70	12.53%	815.13	7.48%	1,007.62	9.47%
(ii) Non-EV	-	-	-	-	14.19	0.13%
A&M (B)	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
(i) EV	46.10	0.39%	49.73	0.46%	14.21	0.13%
(ii) Non-EV	5,459.88	45.94%	5,503.73	50.51%	5,427.34	50.99%
Total (C=A+B)	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

The table below sets forth the breakdown of our revenue from operations from EV and non-EV segments for Fiscal 2026, 2025 and 2024:

Segment	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Total EV	2,732.90	23.00%	1,755.92	16.12%	1,280.85	12.03%
Total Non-EV	9,150.61	77.00%	9,140.01	83.88%	9,363.01	87.97%

We have a diversified product portfolio catering to EVs and internal combustion engine vehicles ("**ICEs**"). Products in our G&T and A&M segments are powertrain neutral, catering to EVs, ICEs, and hybrid vehicles. Our BPT segment caters exclusively to the EV market which is expected to grow with increasing electrification. The table below sets forth details of our product portfolio:

The table below sets forth details of our product portfolio's applicability across vehicle segments:

		Product Segments	Our products and their applicability across market segments							
			E-Bikes	Bikes	Two Wheelers	Three Wheelers	Passenger Cars	Commercial vehicles	Off-road/ specialty vehicles	Aerospace/ Marine
POWETRAIN SOLUTIONS	G&T	Gears, Shafts & Gear-set Assemblies			✓			✓	✓	
					✓	✓	✓		✓	
		Gearbox Assembly & EDUs			✓		✓			
						✓	✓	✓	✓	✓
		 Design, Prototyping and Validation Services			✓		✓		✓	
						✓	✓	✓	✓	✓
	BPT	CVT Systems (Micromobility)	✓							
		Motors & E-Drive Units (Micromobility)	✓							
A&M		Alloys & Metallic solutions	✓	✓	✓					

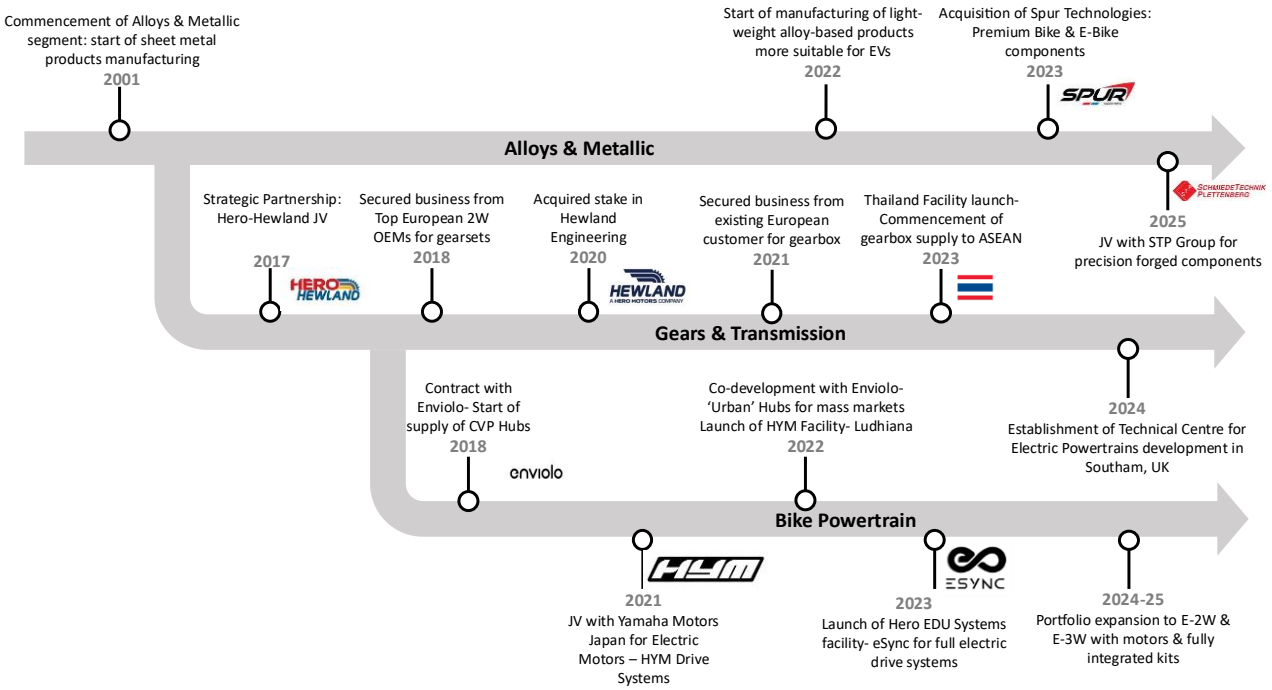
✓ Currently Serving | ICE Applicability | EV Applicability

We commenced operations in 2001 with the A&M segment, focusing on sheet metal component manufacturing, machining of casting products and other sheet metal components. We entered into the powertrain solutions segment in G&T and subsequently partnered with a US-based technology company, enviolo, which owns patented technology known as continuous variable planetary transmission ("**CVP**") or referred to as continuous variable transmission ("**CVT**") in the automotive sector to further grow our powertrain business. We are the only player manufacturing and exporting CVT hubs to global e-bike OEMs from India. (*Source: CRISIL Report*) By 2019, we had secured contracts from European two-wheeler OEMs for manufacture of complete gear box systems and entered the micro-mobility sector, supplying CVT systems.

We acquired a strategic stake in Hewland, a British company in 2022, from Hero International B.V. which had been associated with Hewland since 2017. Hewland specializes in designing and manufacturing gearboxes and transmission systems for motorsport and high-performance vehicles. Acquisition of strategic stake in Hewland marked an expansion of our design and validation capabilities. Subsequently, we acquired a majority stake in Hewland in 2023. Hewland's product range includes manual and sequential gearboxes, differential units, and drivetrain components. Hewland collaborates with OEMs to develop customized transmission systems tailored to specific vehicle needs. This investment boosted our capabilities, by adding advanced design and prototyping skills to our portfolio. Our investment in Hewland also provided us with a manufacturing base in the United Kingdom for the EV segment and strengthened our partnership with a broad customer network in the United Kingdom, Europe, and the USA. We began offering design, analysis, and prototyping solutions to our customers, setting us apart from competitors who only offer 'make-to-print' services. This led us to securing serial production orders from premium OEM customers.

We entered into a joint venture with Yamaha Motors Japan in 2021 to manufacture electric motors under the 'HYM' brand which commenced operations in 2022. In 2023, we launched a transmission manufacturing facility at Samut Prakan, Thailand, expanding our gearbox supply within the ASEAN region. In 2023 we also acquired STPL, a company focusing in manufacturing components for high-end bikes and e-bikes. In 2023, we also ventured into the electric drive unit ("**EDU**") segment for micro-mobility under the 'ESYNC' brand. EDUs are integrated systems with motor, battery and controller as key components and have major impact on the overall performance and functionalities of the end-applications such as e-bikes or electric two-wheelers. (*Source: CRISIL Report*) In the last three Fiscals, we have also strengthened our innovation, design, and validation capabilities with the setup of focused technology centers located in Southam, United Kingdom and at Gautam Buddha Nagar, Uttar Pradesh, in India for automotive and micro-mobility segments, respectively.

Set out below are key milestones in the evolution of our business operations:

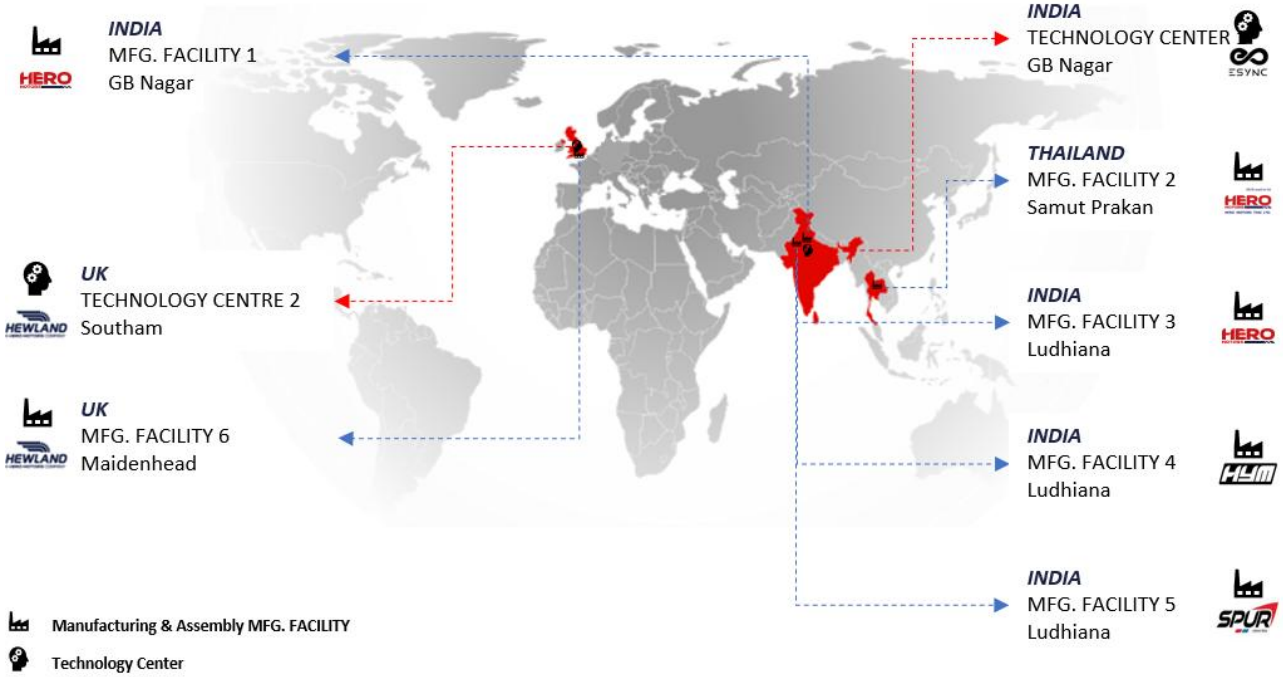


* *Strategic partnership by Hero International B.V*

** *Stake acquired by Hero International B.V. Our Company acquired strategic stake in Hewland from Hero International B.V. in 2022 and subsequently acquired majority stake in 2023.*

As of March 31, 2026, we operated six manufacturing facilities spread across India, United Kingdom and Thailand that are strategically located to ensure proximity to customers and cost competitiveness. For example, our facility in Samut Prakan, Thailand commenced operations in Fiscal 2024 and is located in close proximity to our customers in the ASEAN region. Our facility in Maidenhead, United Kingdom has design and prototyping capabilities that has enabled us to transition to a complete systems manufacturer across the automotive segment. In India, our manufacturing facilities are situated at Gautam Buddha Nagar, Uttar Pradesh and Ludhiana, Punjab. In addition, we operate two technology centers located in Southam, United Kingdom and at Gautam Buddha Nagar, Uttar Pradesh, in India. We are among the few companies in India that operate an international product development and design center. (*Source: CRISIL Report*) We have developed in-house design and engineering capabilities, along with manufacturing and validation capabilities by placing adequate research and development ("**R&D**") and engineering resources, equipment, assembly lines, transient dynamometer test rigs and end-of-line testing machines. In addition, we are in the process of setting up two additional facilities in Ludhiana, Punjab and Bengaluru, Karnataka. For further information on our manufacturing facilities, see " – *Manufacturing Facilities*" on page 274.

Set out below are locations of our manufacturing facilities and technology centers as of March 31, 2026:



We generated a portion of our revenue from operations from sales made to regions outside India. The following table sets forth our revenue from operations from various jurisdictions for Fiscal 2026, 2025 and 2024:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
India	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%
Europe[1]	3,992.19	33.59%	3,099.96	28.45%	3,121.67	29.33%
United States	458.79	3.86%	852.60	7.82%	819.78	7.70%
Others[2]	464.29	3.91%	508.46	4.67%	452.56	4.25%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

(1) Includes United Kingdom.
(2) Others primarily include Thailand, Singapore, Australia, Japan, New Zealand and Hong Kong.

We are led by an experienced board of directors, and a professional management team with experience in the automotive industry. Pankaj Munjal, one of our Promoters and Chairman has over 37 years of experience in the automotive and bicycle industries. He leads the Hero Motors Company ("**HMC**") group of companies which comprises the leading bicycle manufacturer in India, Hero Cycles Limited, passenger car auto component companies, ZF Hero Chassis Systems Private Limited, Munjal Kiriu Industries Private Limited and several other companies based in India and overseas. His guidance has been instrumental in shaping our growth. Heading our management team is Amit Gupta, our Managing Director and Chief Executive Officer, who has been associated with the HMC group since 2004. He holds a post graduate diploma in management from Indian School of Business and has completed advanced management program from Harvard Business School, Boston, USA. He is a member of the Institute of Chartered Accountants of India and was recognized as the '*CA Business Leader- for Mid Corporates- Manufacturing & Infrastructure*' by ICAI in 2023. He offers extensive expertise cultivated through joint ventures with German and Japanese corporations, i.e., our Group Companies, ZF Hero Chassis Systems Private Limited and Munjal Kiriu Industries Private Limited. We have also benefitted from equity investment by environmental, social, and corporate governance ("**ESG**") focused private equity funds, South Asia Growth Invest LLC and South Asia EBT Trust. They play an integral role in providing guidance to foster the growth of our businesses with a strong emphasis on environmental, social, and corporate governance initiatives.

We have established a track record of consistent revenue growth. Our revenue from operations increased from ₹10,643.86 million in Fiscal 2024 to ₹11,183.51 million in Fiscal 2026. Further, our Gross Profit increased from ₹4,193.70 million in Fiscal 2024 to ₹ 4,954.63 million in Fiscal 2026 at a CAGR of 8.69% while our Gross Margin increased from 39.40% in Fiscal 2024 to 41.69% in Fiscal 2026.

The following table sets forth certain of our financial information as of and for the years ended March 31, 2026, 2025, and 2024:

Particulars	As at / For the Year ended March 31,		
	2026	2025	2024
Revenue from Operations (₹ million)	11,883.51	10,895.93	10,643.86
Revenue growth	9.06%	2.37%	0.93%
Gross Profit[1] (₹ million)	4,954.63	4,521.62	4,193.70
Gross Margin[2] (%)	41.69%	41.50%	39.40%
Adjusted EBITDA[3] (₹ million)	1,602.44	1,288.21	1,257.38
Adjusted EBITDA Margin[4] (%)	13.48%	11.82%	11.81%
Restated Profit For the Year / Period (₹ million)[5]	411.68	327.96	170.35
Restated Profit for the Year / Period Margin[6]	3.46%	3.01%	1.60%
Return on Equity[7] (%)	8.56%	7.70%	4.54%
Return on Capital Employed[8] (%)	19.77%	18.84%	23.23%
Net Debt to Adjusted EBITDA[9] (in times)	2.24	2.79	1.72
Fixed Asset Turnover Ratio[10]	1.83	1.89	2.40
Asset Turnover Ratio[11]	0.87	0.94	1.00

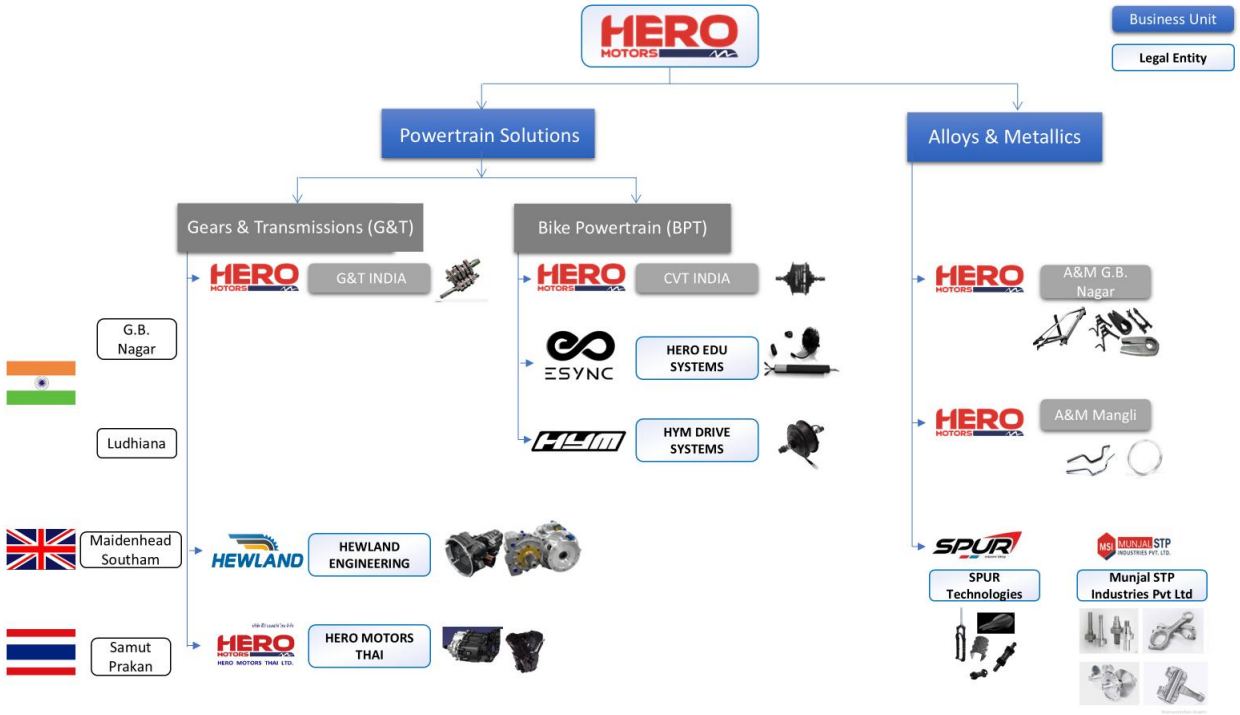
Notes:
1. *Gross Profit is calculated as revenue from operations minus cost of raw materials consumed minus purchases of stock-in-trade minus changes in inventories of finished goods, work in progress, and stock in trade.*
2. *Gross Margin is calculated as gross profit divided by revenue from operations.*
3. *Adjusted EBITDA is calculated restated profit for the year plus total tax expense including exceptional items plus share-based payment expenses plus finance costs plus depreciation and amortization*
4. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations.*
5. *The restated profit for the year is including the pre-tax non cash share based payment of ₹ 105.03 million, ₹148.17 million and ₹ 394.62 million in Fiscal 2026, 2025 and 2024, respectively.*
6. *Restated profit / period after tax margin is calculated as restated profit for the year divided by revenue from operations.*
7. *Return on Equity is calculated as restated profit for the year divided by total equity.*
8. *Return on capital employed is calculated as Adjusted EBITDA divided by average capital employed. Capital employed is calculated as equity share capital plus other equity plus non-controlling interest plus long-term borrowings plus short-term borrowings less cash and cash balances less current investments which includes include investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss. Average capital employed is calculated as opening capital employed plus closing capital employed divided by 2.*
9. *Net Debt to Adjusted EBITDA is calculated as net debt divided by Adjusted EBITDA. Net debt is calculated as non-current borrowing plus current borrowing less cash and bank balances*

10. Fixed asset turnover ratio is calculated as revenue from operation divided by property plant and equipment plus other intangible assets plus capital work in progress plus intangible assets under development.
11. Asset Turnover Ratio is calculated as total revenue from operations divided by total assets.

For reconciliation of Non-GAAP Measures, see "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 438 and 446, respectively.

BUSINESS SEGMENTS

The infographic below shows our group structure in terms of the business segments, as of March 31, 2026:



Powertrain Solutions: Gears & Transmissions

We offer powertrain solutions covering the full value chain in transmission systems design, development, prototyping, validation and low-to-high volume supply for two-wheelers, cars, commercial vehicles, aerospace, marine, offroad vehicles, lawnmowers, and specialty EVs. Our association with Hewland in designing transmission systems for motorsports, performance automotive and aerospace segments significantly increased our capabilities, enabling us to offer comprehensive full value chain solutions. In line with our strategy, we have also established an advanced gearbox assembly manufacturing facility in Samut Prakan, Thailand in 2023 to cater to the growing ASEAN region and global ICE and EV markets. We have commenced operations in this facility with a premium German OEM as an anchor customer and our facility is equipped with semi-automated assembly lines, in-house gear machining, and comprehensive end-of-line testing amongst other features.

Powertrain Solutions: Bike Powertrain

Under bike powertrain solutions, we expanded to powertrain solutions for micro-mobility covering CVT Systems, electric motors and integrated EDUs. We started manufacturing components for the micro-mobility sector in 2019. We believe that by successfully delivering products that meet the requirements of our customers through product improvement, we strengthened our collaboration with enviolo in 2020 to co-develop a custom-designed version of CVP hubs known as '*Urban*' for the Indian, ASEAN and European mass-segment e-bike markets. We added electric motors to our portfolio through our joint venture with Yamaha Motors, Japan and grew our presence by offering integrated EDU solutions. We intend to leverage our highly engineered EDU systems to enhance industry standards in design, reliability, and performance, contributing to global micro-mobility industry with reliable, innovative solutions.

Alloys and Metallics ("A&M")

We initially commenced our business operations with the manufacture of A&M components and currently cater to automotive applications, domestic and international bike and e-bike OEMs. Our A&M components are powertrain neutral. Our expertise ranges from auto parts such as chain cases, swing arms, main stands, engine guards to machined components such as cylinder blocks for automotive segment and suspension forks, handlebars, bottom bracket cartridges, stems, tyres and grips for the bike and e-bike segments. This is supported by our infrastructure and capabilities that include pressing, welding (robotic, spot, projection, and metal insert gas welding), machining, and painting (powder coating, plastic painting, metal paint). Operating from our facilities at Gautam Buddha Nagar, Uttar Pradesh and Ludhiana, Punjab, we intend to strategically position ourselves to meet evolving market demands. Going forward, we intend to focus on lightweight alloy-based products for EVs, deepen relationships with premium motorcycle clients, and implement cost reduction processes to improve profitability.

Industry Opportunity

The mobility industry is experiencing a transformative shift across the globe due to the increasing electrification of vehicles, significantly impacting powertrain solutions such as motors, gearbox/transmission systems, and integrated e-drive units. Adoption of EVs necessitates a paradigm shift in the design and function of gears and transmission components. The multi-speed gearboxes associated with internal combustion engines are likely to be supplanted by simpler designs in EVs. EV penetration in the motorcycle segment is projected to increase from 2.0% in 2025 to 10.5% to 12.5% in 2031 at a CAGR of 34% to 38%. *(Source: CRISIL Report)*

The global e-bike market is expected to be the primary growth driver within the bicycle industry from 2024 to 2031, with sales volumes projected to increase from 8.24 million units in 2024 to 12.5 to 14.5 million units by 2031, reflecting a CAGR of 6% to 9%. Growth is expected to be driven by increasing consumer preference for sustainable and convenient mobility solutions, particularly in urban environments where traffic congestion and rising transportation costs continue to encourage alternative modes of travel. In Europe, e-bike volumes are expected to increase from 6.17 million units to approximately 8 to 10 million units from 2024 to 2031 at a CAGR of 5% to 8%, supported by rising consumer demand for convenient and assisted mobility solutions, particularly for commuting and longer-distance travel. The electric bike industry in India is expected to log a CAGR of 19% to 23%, Fiscal 2026 and Fiscal 2031. *(Source: CRISIL Report*)

The global passenger vehicle powertrain mix is expected to undergo a significant transformation through 2031, driven by accelerating electrification and declining dependence on conventional ICE vehicles. Battery electric vehicles ("**BEVs**") are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18% to 20%, with volumes increasing from 3.36 million units in 2024 to 11.5 to 12.5 million units by 2031. Share of automatic transmission vehicles in domestic PV sales has increased from 22% to 27% in Fiscal 2021 to approximately 35% to 40% in Fiscal 2026. This surge is attributed to worsening traffic conditions, increasing affordability, growing consumer preference for comfort and availability of semi-automatic transmission at affordable price points. *(Source: CRISIL Report)*

Among the addressable markets for our Company, the market for G&T is expected to increase from ₹3,400 to 3,500 billion in 2025 to ₹4,850 to 4,950 billion in 2031, growing at a CAGR of 6% to 8%. The combined addressable market for our Bike Powertrain products* is forecasted to grow from ₹ 310 billion to 352 billion in 2025 to ₹ 880 billion to 922 billion in 2031 at a CAGR of 16% to 18%. The addressable market for our alloys and metallics products in two-wheeler, bicycle and E-bike applications is projected to grow from ₹ 860 to 900 billion in 2025 to ₹ 1,130 to 1,170 billion in 2031 at a CAGR of 4% to 5%. *(Source: CRISIL Report)*

Market for Bike Powertrain products is calculated as consolidated market size for CVT hubs, electric motors and EDU kit for e-bikes in India, United States, EU, ASEAN and Japan along with electric motor for two-wheeler and three-wheeler in India, United States, EU, and ASEAN. *(Source: CRISIL Report)*

OUR COMPETITIVE STRENGTHS

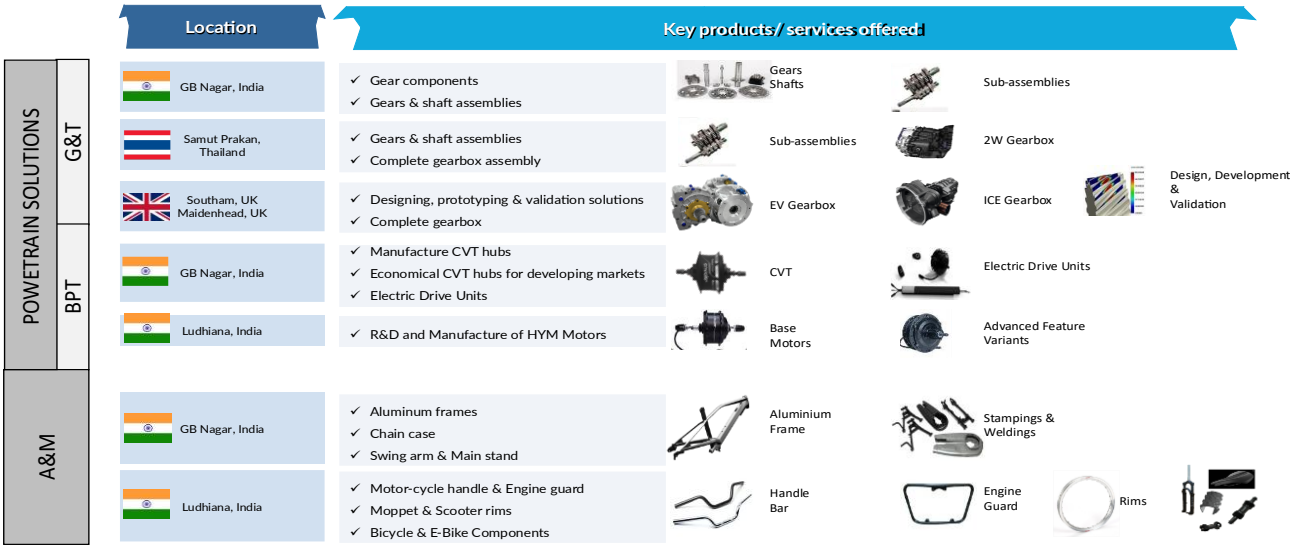
We believe that we are well positioned to take advantage of changing powertrain dynamics globally basis our strengths:

- *Among India's Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product and Service Offerings;*
- *Growing Market Presence in the Electric-Bikes and Premium Two-Wheelers Segments;*
- *Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions;*
- *Advanced Infrastructure with Geographically Diverse Operations;*
- *Strong Research and Development Capabilities and Long-Term Partnerships; and*
- *Legacy of Diverse Growth, Experienced Management Team and Strong Corporate Governance.*

Among India's Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product and Service Offerings

We are one of India's leading solutions providers to global e-mobility industry (*Source: CRISIL Report*) with our revenue from sales to e-mobility industry being ₹ 2,732.90 million, ₹ 1,755.92 million and ₹ 1,280.85 million, accounting for 23.00%, 16.12% and 12.03%, respectively of our revenue from operations for Fiscal 2026, 2025 and 2024, respectively. Precision and powertrain flexibility characterize our offerings, positioning us to leverage global trends. We have supplied EV transmission components for a US-based EV OEM and a European EV supercar manufacturer, showcasing our expertise in this segment. We are among the few companies globally that design high-performance transmission systems capable of handling tough torque needs while keeping components lightweight and meeting noise, vibration and harshness ("**NVH**") requirements of electric vehicles. We have over two decades of experience in providing these solutions to the automotive industry, and we have leveraged our experience to also address the aerospace (eVTOL) and marine electrified powertrain markets. We have also broadened our reach to non-automotive sectors and secured orders from global customers, including a leading American lawn mower

manufacturer, who has engaged us for their shift to electrification and we have designed and developed and supplied gearboxes for their electric lawn mower products. Our products focusing on micromobility solutions such as e-bikes consist of CVTs, motors, and electric drive units (EDUs). Our CVT hubs offer stepless, near-silent shifting with Bluetooth connectivity and are maintenance-free. Our 36V electric motors, developed with Yamaha Motors Japan, provide higher torque, efficiency, and temperature protection. We also offer high-efficiency EDUs that integrate the battery, motor, controller, sensors, human machine interfaces ("**HMIs**"), and charger. We believe that the growth in our EV vertical highlights our ability to strategically develop and diversify our product portfolio backed by innovation and advanced technology. The infographic below highlights our key products/services and the respective locations across our business segments:



We believe our business has been built on our expertise in making powertrain solutions that are precise, leveraging cutting-edge and latest technology. In our experience this offers us a competitive advantage, as electric vehicles require high efficiency for improved range and have strict NVH standards. While electric motors are silent, electric vehicles transmissions must meet these NVH requirements. *(Source: CRISIL Report)* Our CVT products are based on enviolo's patented CVP technology and we differentiate ourselves in the bike drivetrain market by offering a range of gear ratios, ensuring a smoother, maintenance-light, and user-friendly riding experience. CVTs are emerging as a disruptive technology within the e-bike domain. Unlike the traditional derailleur systems that offer discrete gear ratios, CVTs provide a seamless spectrum of gear ratios, fundamentally altering the riding experience. *(Source: CRISIL Report)* We believe that the adaptability of our CVT products, coupled with silent operation, makes it a compelling choice for cyclists seeking a hassle-free and enjoyable ride, setting it apart from traditional gear systems that often require manual gear changes, frequent adjustments, and are prone to wear-related issues. The market value of CVT hubs in 2031 is projected to be in the range of ₹ 35 billion to ₹ 37 billion and clock a significant CAGR of 33% to 38% from 2025 to 2031*(Source: CRISIL Report)* We cater to certain key players mentioned in the CRISIL Report in the global bicycle industry. Our Urban model is jointly developed with enviolo and we expect it to have much wider addressable market, catering to lower priced e-bike models and we have perpetual manufacturing rights for the product. We are the only player manufacturing and exporting CVT hubs to global e-bike OEMs from India. *(Source: CRISIL Report)*

Our products find diverse application across vehicle categories including two-wheelers, passenger cars, specialty vehicles and off-road commercial vehicles, both light and heavy. In addition, we cater to components and solutions for the aerospace and marine industries. Beyond EVs, we also address requirements of the premium motorcycle segment and performance ICE segment (i.e., vehicles known for their luxury features or strong performance, sometimes both). These vehicles are designed to offer a satisfying driving experience, featuring powerful engines, advanced technology, quality construction, and comfortable user experience. Generally, motorcycles with engine sizes over 600 cc and cars with engine sizes above 2 litres fall into this category. *(Source: CRISIL Report)*

Growing Market Presence in the Electric Bikes and Premium Two-Wheelers Segments

Over the last five years, we have expanded our market presence across automotive segments and have grown our business with premium two-wheeler OEMs globally. In the premium two-wheeler segment, we have partnered with OEMs such as BMW, Ducati and a leading American two-wheeler OEM among others, for Powertrain Solutions covering design, development, prototyping, validation and high volume manufacturing. Further, we believe that we have capabilities to deliver complete system solutions for e-bikes, including design, development, and cost-effective solutions, all while maintaining stringent quality standards. The electrification of bicycles and two-wheelers is witnessing robust global growth, driven by environmental concerns, health awareness, and technological advancements. The global e-bike market is projected to reach 12.5 million to 14.5 million units by 2031 at a CAGR of 6% to 9% (from 2024 to 2031). E-bike sales in Europe are expected to grow at a CAGR of 5% to 8%, reaching 8 to 10 million units by 2031, while the U.S. market are expected to grow at a CAGR of 16% to 19%. The global two-wheeler industry is expected to witness a significant acceleration in electrification through 2031, with electric motorcycles and scooters gaining share across major markets. EV penetration in the motorcycle segment is projected

to increase from 2.0% in 2025 to 10.5% to 12.5% by 2031, reflecting a robust CAGR of 34% to 38%, supported by improving battery technology, expanding charging infrastructure, and growing government support for electric mobility. Advancements in battery technology and design have made e-bikes a serious contender for commuting, recreation and utility cycling. *(Source: CRISIL Report)* With our entry into the bike powertrain segment in 2019, we integrated our solutions into the e-bike industry, empowering over 0.40 million e-bikes globally with our CVT systems in Fiscal 2024, Fiscal 2025 and Fiscal 2026.

E-bikes are appreciated for their efficiency, accessibility, and minimal environmental impact. With advancements in battery technology, they offer extended ranges and excellent performance, making them the preferred choice for urban commuting. Meanwhile, the two-wheeler segment, including electric scooters and motorcycles, is gaining popularity due to their agility and eco-friendliness. Governments globally, along with environmentally conscious consumers, are accelerating the shift to electric mobility, solidifying the dominance of e-bikes in the industry. (*Source: CRISIL Report*)

In 2023, we entered the EDU segment under the brand 'ESYNC' to serve the e-bike segment. Recognizing the market's shortage of options meeting the performance and reliability demands of e-bike riders today (*Source: CRISIL Report*), our solutions offer a complete e-bike system, combining engineering expertise in motor design, battery technology, connectivity solutions, and market understanding to cater to all stakeholders' diverse needs. With the aim of addressing gaps in the market, we set up a technology center in Gautam Buddha Nagar, Uttar Pradesh, India in 2024 to develop advanced products and commenced supply of EDU to e-bike OEMs under the 'ESYNC' brand.

We secured orders for transmission systems from an Indian electric-two wheeler OEM, which is backed by leading global automotive companies. This expands our business portfolio and marks our entry into the electric 2-wheeler industry with complex solution involving combined system of swing arm and gearbox assembly. The contribution of e-mobility to our sales accounted for 23.00% of our revenue from operations in Fiscal 2026.

We cater to and have a strong and growing relationship with leading two-wheeler OEMs in the premium/high performance ICE segment As our customers from two-wheeler segment work on launching electrified models we are engaged right at the concept planning stages of the models. Given our expertise in precision gear components and the full transmission system experience, powertrain neutral A&M products, we are one of the few players in India to benefit with the accelerated electrification trends. (*Source: CRISIL Report*)

Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions

We have a diverse and premium customer base, serving clients both in India and internationally. Our global OEM portfolio includes a wide range of customers, spanning both automotive and non-automotive sectors. In the automotive sector, we collaborate with global two-wheeler OEMs including BMW, Ducati, and Hero MotoCorp; players from motor sport industries such as Formula Motorsport and HWA Engineering; global commercial vehicle and off-road OEMs such as Escorts; and enviolo. Our customers in the non-automotive segment for both electric and non-electric powertrain and transmission systems include global OEMs such as B&S, and various e-powertrain applications for supercar manufacturers.

Our expertise also extends to other sectors, including the aerospace (eVTOL) segment. Our customers also include early-stage EV technology players who we work closely with to extend the scope to serial production and supply as they mature to become EV OEMs. In our experience, our longstanding relationship with such premium customers act as an entry barrier to competition.

We collaborate closely with our customers throughout the entire process beginning from the request for quotation ("**RfQ**") process, to ensure that all our systems and components are as per their requirements and industry standards. Successfully securing firm orders often results in long-lasting customer partnerships, as in our experience, the cost of switching vendors within our industry is typically significant. In addition to our focus on technology and partnerships to provide quality solutions, we assess our performance with customers across quality, delivery, and cost. Our commitment to performance, technology, and consistent track record of quality, delivery, and cost has not only expanded our market share but also earned us recognition and awards for quality and customer satisfaction from various OEMs.

Our customer portfolio has been strategically diversified to reduce reliance on domestic customers. The table below provides revenue from operations generated from domestic customers as a percentage of revenue from operations for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from India	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%

One notable example is our partnership with BMW. We are the exclusive supplier for several BMW projects, a testament to their appreciation for our global standards in quality and timely delivery.

We have nurtured enduring relationships with our top customers and the average tenure of our relationship with our top five customers as of March 31, 2026 has been over 12 years. Further, the value of the business with our top 10 customers has

increased during the Fiscal 2026 and 2025 compared to Fiscal 2024. The following table sets forth revenue from our top one, top five and top 10 customers for Fiscal 2026, 2025 and 2024:

Category	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Contracts with Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Contracts with Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Contracts with Customers (₹ million)	Percentage of Revenue from Operations (%)
Top One Customer	4,227.44	35.57%	4,227.91	38.80%	4,045.88	38.01%
Top Five Customers	7,298.89	61.42%	6,907.10	63.39%	6,933.56	65.14%
Top 10 Customers	8,661.40	72.89%	8,501.96	78.03%	8,191.86	76.96%

Notes:

(1) Our top one customer, top five customers and top 10 customers are based on the revenue contribution of the relevant customer in the relevant Fiscals, as the case maybe.

(2) For Fiscal 2026, our top 10 customers include River Mobility Private Limited, Hero MotoCorp Limited, BMW-AG, enviolo, HMC E Valley, Makino Auto Industries Private Limited and Ducati Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(3) For Fiscal 2025, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(4) For Fiscal 2024, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati. . Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

An overview of certain of our customers across product segments and length of our relationship with them, as of March 31, 2026, is as follows:

Customer	Length of relationship	Application	Customer location
HERO MOTOCORP LIMITED	25 Years	Motorcycle	India
EUROPEAN PREMIUM TWO-WHEELER OEM	15 Years	Motorcycle	Germany, Thailand
ESCORTS KUBOTA LIMITED	13 Years	Off-road vehicles	India
EUROPEAN MOTORSPORT ORGANISER	10+ Years	Motorsport	United Kingdom
HWA AG	10+ Years	Motorsport	Germany
LE MANS CO	10+ Years	Motorsport	Japan
JAPANESE OEM OF PASSENGER CARS	10+ Years	Passenger Car	Japan
GLOBAL PREMIUM TWO-WHEELER OEM	10+ Years	Premium motorcycle	United States
DUCATI MOTOR HOLDING S.P.A.	10 Years	Premium motorcycle	Italy, Thailand
PERFORMANCE PASSENGER CAR MANUFACTURER IN UNITED STATES	7 Years	Passenger Car	United States
ENVIOLO INTERNATIONAL INC.	7 Years	Electric Bicycles	United States, Europe
EUROPEAN ELECTRIC HYPERCAR OEM	4 Years	Electric Sports Car	Europe
TACO PUNCH POWERTRAIN PVT LTD	3 Year	Electric Passenger Car	Europe
ADVANCED AIR MOBILITY SOLUTIONS PROVIDER IN UNITED STATES	3 Year	Electric Vertical Takeoff and Landing (eVTOL) Aircraft	United States

Advanced Infrastructure with Geographically Diverse Operations

Our operational strength extends worldwide as we strategically establish manufacturing and assembly facilities to meet diverse market and customer demands. We believe that strategic geographic dispersion of our G&T facilities across India, the United Kingdom, and Thailand allows us to be in close proximity to our customers and offer cost competitive solutions.

Our facilities, located in Gautam Buddha Nagar, Uttar Pradesh, India, boast precision manufacturing setups, including advanced technologies such as teeth honing, teeth grinding, and laser welding machines. The infrastructure is modern, and our processes are well-developed, allowing us to manufacture precise EV gears. To enhance our presence in the ASEAN region and cater to both local and global ICE and electric vehicle markets, we have recently established a gearbox manufacturing facility in Samut Prakan, Thailand. Our gearbox assembly plant is equipped with advanced machinery and technology. The facility features semi-automated assembly lines, in-house gear machining, advanced heat treatment capabilities, and comprehensive end-of-line testing for powertrain systems, EDU, and engine requirements. In Maidenhead, United Kingdom, our facility offers an end-to-end solution encompassing concept studies, design, prototyping, and low-volume gearbox manufacturing. This hub primarily serves customers in the United States of America, United Kingdom, and Europe, further powered by our technology center at Southam, United Kingdom, which spearheads design, testing, and validation efforts for gears and transmissions, with a pronounced emphasis on EV powertrain technology.

The facility operated by our joint venture, HYM, focuses on design, validation, and production of motors for two-wheelers. The facility features latest and an advanced motor assembly line built as per Japanese standards, along with in-house motor

winding and comprehensive end-of-line testing, equipped with a software system to ensure 100% traceability. It commenced production in the first quarter of 2023, with an annual capacity of 145,000 motors and is expected to scale up to 1 million units by Fiscal 2030. In addition, we have set up two technology centers, one in the United Kingdom and another in India, expanding our service offerings to customers across the entire solution spectrum, from design and engineering to manufacturing. These facilities are equipped with advanced software, R&D equipment, and test systems that meet global standards. These technology centers are led by experienced global R&D personnel in Powertrain Solutions design and engineering.

We have generated significant revenues from international markets. In our experience, this not only mitigates regional economic fluctuations but also cultivates resilient growth and enhances brand visibility worldwide. The table below sets forth our revenue from operations from international customers for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from Outside India	4,915.27	41.36%	4,461.02	40.94%	4,394.01	41.28%

Strong Research and Development Capabilities and Long-Term Partnerships

Over the years, we have expanded our capabilities to include design and engineering. We have been significantly increasing our research and development expenses to invest in the future and have augmented our resources by establishing technology centers, expanding our facilities globally, and incorporating in-house engineering and testing equipment.

The table below provides our research and development expenses as a percentage of revenue from operations and as a percentage of total expenses for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

Our acquisition of majority stake in Hewland granted us access to advanced design and prototyping capabilities, enabling us to cover the entire value chain and transition into a comprehensive systems provider. This move has also significantly enhanced our e-mobility and high-performance transmission solution offerings, as Hewland has been serving customers in this segment historically. We have been able to strengthen our relationships with customers by providing value added engineering services, which involves collaboration between our engineering team and customers to develop components tailored to their specific applications and optimized for key parameters such as cost and weight.

In our bike powertrain business unit, we collaborated with enviolo to develop *Urban*, a new model at optimized cost which enabled us to increase serviceable obtainable market. Through this collaboration agreement we secured exclusive manufacturing rights for global markets and selling rights for India and ASEAN markets for this model.

The infographic below provides details of various programs that we have undertaken for our customers.

	Customer Segment	Product/Solution Offering	End-product Application	Customer Geography
	Passenger Vehicle	EV Gear Components	Electric Hybrid Car	India, Italy
	Offroad/Specialty EV	E-Transmission System	Electric Lawn Mower	United States
	Passenger Vehicle	EV Gear Components	Electric Hybrid Car	Croatia
	Aerospace	Transmission Design, Development & Validation	Electric – VTOL Aircraft	United States
	Offroad/Specialty EV	Transmission Design, Development, Validation & Serial Supply	All Terrain Vehicle	United States
	Light Commercial Vehicle	E-Axle Design, Development, Validation & Serial Supply	LCV for Last Mile Delivery	India
	Offroad/Specialty EV	Transmission Design, Development & Validation	Defense Offroad Vehicle	United Kingdom
	Electric Bicycle	Integrated Electric Drive Unit Design, Development, Validation & Serial Supply	Rear Motor E-Bike	Global

Legacy of Diverse Growth, Experienced Management Team and Strong Corporate Governance

The HMC group of companies comprises the world's largest bicycle manufacturer in 1986, Hero Cycles Limited *(Source: CRISIL Report)*, Munjal Kiriu Industries Private Limited, a joint venture with a Japanese conglomerate, and ZF Hero Chassis Systems Private Limited, a joint venture with a German auto-component player, and several other companies based in India and overseas. We have been able to leverage the network, experience, and collaborations entered into by the HMC group companies to incorporate advanced technology, operational best practices and quality in our operations. We believe that this has been instrumental in helping the company overcome challenges and has enabled the company to grow at a consistent pace over the past several years.

We are led by an experienced board with extensive entrepreneurial, professional, and operational experience. Pankaj Munjal, the Chairman of our board, brings vast experience in the automobile sector, and, his vision has been instrumental in our Company's consistent growth over the years. Abhishek Munjal, our Whole-time Director, has deep operational expertise in the automotive industry. Our board of directors boasts a diverse range of experiences. Kulbir Singh, Non-Executive Independent Director, has held leadership roles in the finance sector. Our Non-Executive Independent Director, Pratibha Goyal is the former Vice Chancellor of Dr. Ram Manohar Lohia Avadh University. Andrew Charles Palmer, who is also an Independent Director has experience in the fields of engineering and finance and is the former CEO of Aston Martin Lagonda. Our Non-Executive and Independent Director, Jyoti Arora, is a 1987-batch IAS officer with over 35 years of experience across power, infrastructure, IT, and education sectors. Our Non-Executive and Independent Director, Ashok Kumar Taneja's entrepreneurial and corporate management experience contribute immensely to the efficiency of the Board. Keshav Misra, a Non-Executive and Non-Independent Director on our Board, was formerly a partner at Baring Private Equity Partners (India) Limited, and has been previously associated with Pioneer Investment Management Inc., Boston and Indian Oil Corporation. He brings extensive experience in strategy and investment management. Sridhar Narayan, Nominee Director, Partner GEF Capital, adds further expertise from years of investing in Indian public and private markets.

We are also guided by an independent and skilled management team. Under the leadership of Amit Gupta, our Managing Director and CEO, we have achieved growth with profitability and have been able to diversify our product and service offerings and cultivate strategic partnerships. Majority of our senior management has been associated with our Company for over six years which we believe results in efficient business operations and formulating consistent growth strategies for our business. Our senior management team has been instrumental in the expansion of our product and service portfolio and shifting the focus towards EV market. We believe that the significant experience of our senior management team is a key strength to our business and provides us with a competitive advantage compared to our competitors. Our management team and key resources are further incentivized and have ownership in the company through ESOP schemes to align their interests with the performance of the company. We are also backed by equity investment from South Asia Growth Invest LLC and South Asia EBT Trust and benefit from their expertise and resources. Their investment aligns with our implementation of Environmental, Social, and Governance ("**ESG**") norms into our business framework. We have also established a dedicated ESG team to oversee ESG matters within our operations.

OUR STRATEGIES

We intend to focus on the following strategies going forward to grow our business and market share:

- *Focus on Providing Complete Systems and Powertrain Solutions for E-Mobility Segment;*

- *Expand into Other Market Segments and Geographies;*
- *Leverage Hewland's Expertise for Design-to-Cost Product and Service Solutions;*
- *Focus on Strengthening Partnerships with Global Players for Technology; and*
- *Pursue Inorganic Growth Opportunities.*

Focus on Providing Complete Systems and Powertrain Solutions for E-Mobility Segment

Our strategic objective is to further increase the collective contribution from systems and e-mobility-related products and services. To achieve this goal, we are currently implementing a series of initiatives. We are focused on making further investments in our technology centers and developing full powertrain solutions tailored for EVs. EVs require an integrated transmission system to optimize their performance, efficiency, and driving experience (*Source: CRISIL Report*) We have invested with the setup of our technology centers and are fully equipped to delivering end-to-end powertrain solutions.

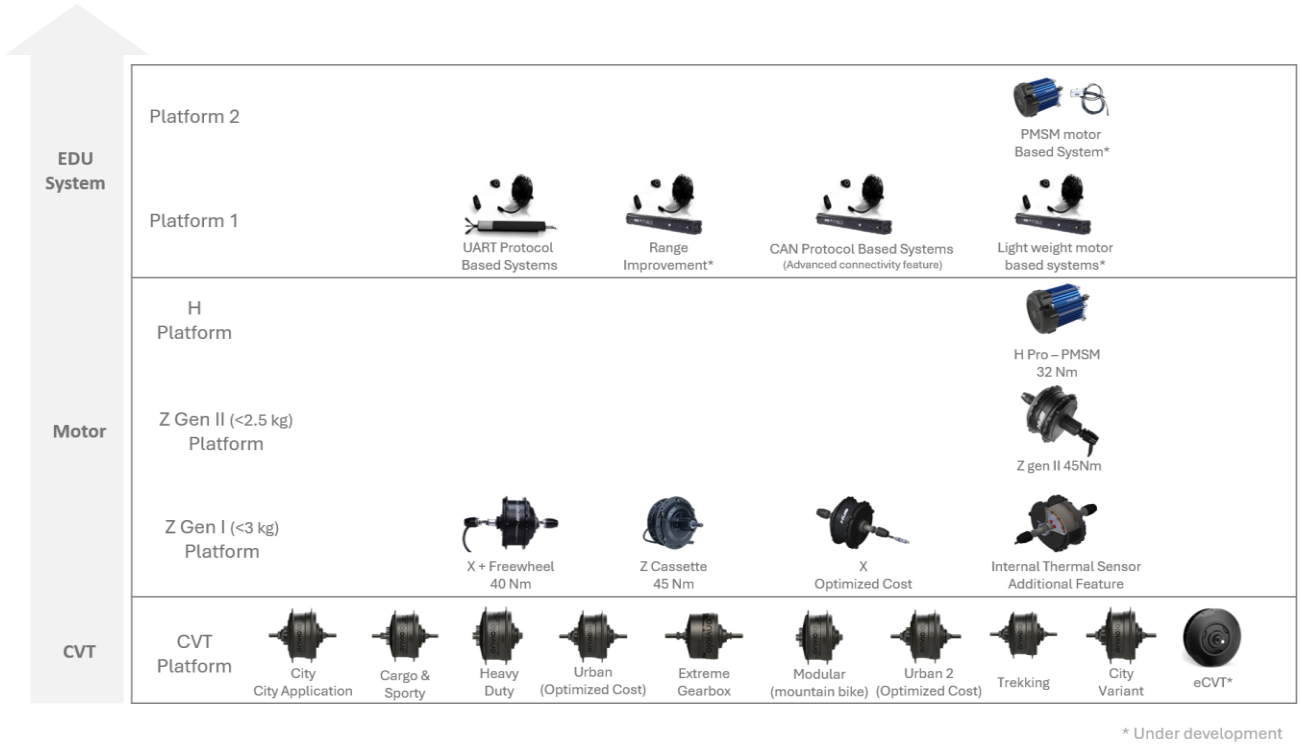
Performance Automotive and EV Gearboxes and Drive Units: With the aim to expand our capabilities in terms of assembling systems and gain expertise to be prepared for the e-mobility products, we acquired strategic stake in Hewland in 2022 and acquired majority stake in 2023 from Hero International B.V which had been associated with Hewland since 2017. We intend to further leverage Hewland's expertise to launch customizable solutions for EV OEMs.

E-Transmissions and Components for E-Mobility: The global passenger vehicle powertrain mix is expected to undergo a significant transformation through 2031, driven by accelerating electrification and declining dependence on conventional ICE vehicles. (*Source: CRISIL Report*) BEVs are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18% to 20%, with volumes increasing from 3.36 million units in 2024 to 11.5 to 12.5 million units by 2031. (*Source: CRISIL Report*) EV penetration in the motorcycle segment is projected to increase from 1.4% in 2024 to 10.5% to 12.5% in 2031 at a CAGR of 34% to 38%. (*Source: CRISIL Report*) We intend to cater to this opportunity by securing additional orders in the evolving electrified drivetrain field and will focus on building on our e-transmission business. Towards this, we have secured additional orders from a major Tier 1 OEM in Europe for the supply of high precision gear components for the hybrid passenger car applications.

Electric Drive Units for Micro mobility Segments: The global bicycle market value is expected to remain relatively stable between US$23.85 billion in 2024 to US$26 billion to US$ 29 billion in 2031, reflecting a CAGR of 1% to 3%. Advancements in battery technology and the growing availability of e-bikes have expanded the appeal of cycling to a broader consumer base, including commuters, older riders, and recreational users seeking greater convenience and riding comfort. The global e-bike market is expected to be the primary growth driver within the bicycle industry from 2024 to 2031, with sales volumes projected to increase from 8.24 million units in 2024 to 12.5 to 14.5 million units by 2031, reflecting a CAGR of 6% to 9%. In Europe, e-bike volumes are expected to increase from 6.17 million units to approximately 8 to 10 million units from 2024 to 2031 at a CAGR of 5% to 8%, supported by rising consumer demand for convenient and assisted mobility solutions, particularly for commuting and longer-distance travel. (*Source: CRISIL Report*)

The e-bike market is experiencing rapid growth due to increasing demand, but the supply chain ecosystem is still evolving. Among the crucial components of an e-bike, the drive unit stands out as the most critical. At present, there are few providers offering fully integrated systems, and those that do offer only a limited range of options. (*Source: CRISIL Report*) To address gaps and capitalize on the burgeoning e-bike market, we have developed comprehensive e-drive systems.

The infographic below highlights our product roadmap for the micromobility segment, including products under development:



* Under development

We began our e-bike powertrain business with Enviolo's patented CVT hubs for city use. We have since expanded our CVT platform to include City, Cargo & Sporty, Heavy Duty, Extreme Gearbox, Modular, and Trekking variants. Through co-development, we designed CVT models such as the Urban. In the motor design and manufacturing, under Platform X, we have introduced X+ and Z motors and the value-engineered Model X, which features cassette compatibility and thermal sensors variants. Additionally, under Platform H, we are developing PMSM motors, focusing on efficiency and reliability. Furthermore, in the Electric Drive Unit ("**EDU**") segment, our offering include integrated systems with motors, controllers, batteries, chargers, sensors and display. Our EDU kits were initially based on Universal Asynchronous Receiver/Transmitter ("**UART**") protocol, however, we now incorporate and Controller Area Network ("**CAN**") protocol with advanced connectivity and extended range.

These systems give us control over the entire setup and enhance the integration of essential e-bike components. Under our 'ESYNC' brand, we intend to continue to develop e-bike systems and critical components. We intend to establish a global network of fulfilment center to provide after-sales support to our customers and aim to collaborate with partners for these centers. We aim to offer technical assistance in case of any issues, with our Indian support team guiding them in resolving customer concerns effectively.

Expand into Other Market Segments and Geographies

Expansion to segments beyond motorcycles: Utilizing our well-established connections with prominent motorcycle manufacturers globally and our ties within the performance, motorsport, and electric vehicle sectors, we continue to expand our collaboration with OEMs strategically. In recent years, we have been able to secure orders for transmission components for electric hybrid passenger cars and gearboxes for electric lawn mowers. We have also taken on the complete design and manufacturing of transmissions for an electric all-terrain vehicle application for a United States of America-based customer. Furthermore, we have undertaken projects related to electric powertrains for marine applications and are currently in the process of designing and manufacturing transmissions for an electric VTOL customer. Currently, we are also engaged in discussions with customers from diverse sectors, including off-road vehicles, specialized commercial vehicles, and electric two-wheelers. By expanding our OEM collaborations beyond the motorcycle industry, we intend to position ourselves as a versatile and adaptable partner in the broader vehicle landscape.

Expansion to new geographies: As part of our growth strategy, we intend to expand our manufacturing footprint, extending our influence in new geographical locations, particularly the ASEAN region. We intend to strategically evaluate options for manufacturing in other geographies based on opportunities and proximity to customers and demand for our products and services.

The region offers competitive labor costs, a robust infrastructure, and access to major global markets through trade agreements such as Regional Comprehensive Economic Partnership. (*Source CRISIL Report*) With a population exceeding 650 million and a growing middle class, it presents a substantial consumer base, combined with the long history of political stability and well-established legal systems, which are conducive to foreign investment, the cost competitiveness and substantial OEM consumption opportunity. (*Source CRISIL Report*)

Our engagement with a premium two-wheeler manufacturer based in Europe is emblematic of this approach, as we secured a major contract to deliver fully assembled gearboxes to their manufacturing facility in Thailand. We expect this strategic move

to yield a multitude of benefits, as we believe that Thailand facility is poised to evolve into a hub for further expanding our OEM base throughout the ASEAN region. We are currently in discussions with additional OEMs for assembly and supply opportunities in the ASEAN region.

Leverage Hewland's Expertise for Design-to-Cost Product and Service Solutions

We are leveraging Hewland's expertise in providing innovative design-to-cost solutions, while simultaneously expanding our service offerings to establish strong and sustainable revenue streams.

Design-to-Cost Solutions

Hewland's design-to-cost approach integrates designing concept to manufacturing, ensuring cost control, raw material selection to achieve performance targets. Gearbox and transmission design consultancy services offer specialized expertise in developing components tailored to the precise needs of industries such as automotive, aerospace, defence, among few others. With a strong emphasis on innovation and efficiency, these consultancies ensure that designs adhere to industry-specific regulations and operational requirements while delivering solutions that are both robust and cost-effective. (*Source: CRISIL Report*)

With decades of experience, we believe that Hewland has a proven track record to deliver innovative products in the automotive sector and has successfully expanded its presence to marine and aerospace industries. Hewland's product range includes manual and sequential gearboxes, differential units, and drivetrain components. Its capabilities empowered us to provide end-to-end powertrain solutions—from initial concept studies to design, prototyping, validation, development, and high-volume manufacturing. Companies, particularly OEMs, rely on gearbox and transmission design consultancy services to access advanced expertise that enhances both design precision and manufacturing efficiency. By leveraging these services, businesses can optimize component performance, ensure seamless production integration, and maintain compliance with stringent industry standards. (*Source: CRISIL Report*)

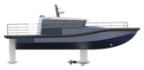
To further our efforts, we have inaugurated our UK Technology Centre in Southam, United Kingdom, in July 2024 and commissioned an e-drive train test rig. This facility is intended enable testing and optimization of electric drive units and transmissions, strengthening our capability to validate our solutions against rigorous performance and reliability standards. Such investments highlight our commitment to leveraging Hewland's expertise for design-to-cost solutions, driving innovation in transportation electrification and delivering high-performance, cost-effective technologies.

Service Revenue Streams

We are focusing to grow our services business by enhancing our design, validation, and prototyping capabilities. Over the past four years, we have significantly expanded our design and engineering teams, broadening our service offerings across multiple sectors. We combine expert design and engineering with test and validation facilities, to create bespoke solutions for conventional combustion, hybrid, and electric power applications. By bridging the gap between design and production, these services help businesses streamline their development processes (*Source: CRISIL Report*). Hewland specializes in EV gearbox design and analysis, offering consultancy for high-specification electric vehicle transmissions. Our team leverages advanced design tools and rapid prototyping to deliver innovative solutions that enhanced efficiency, durability, and performance.

We employ a variety of strategies such as component life forecasting, system efficiency analysis, impact analysis, oil system optimization, and meshless CFD techniques to develop components and design new powertrain solutions. We believe that this ensures comprehensive, effective results tailored to customer needs. Our expertise in design for manufacture ("**DFM**") allows us to efficiently transition gearbox designs from concept to full-scale production for electric vehicles. By optimizing efficiency, durability, lubrication, weight, noise, vibration, and harshness ("**NVH**"), cost, and overall performance, we ensure that our solutions endeavour to meet the highest industry standards. The increasing focus on technological advancements in mobility solutions will further drive the need for specialized engineering expertise in this field. (*Source CRISIL Report)*

Hewland's capabilities extend beyond product delivery to encompass comprehensive gearbox design, analysis, prototyping, validation, and durability services for electric vehicles. Our testing capabilities—including end-of-line, transient, NVH, and gear shift quality testing. In our experience, this expertise supports both internal technology development and external customer programs, enabling us to meet diverse customer requirements effectively. While gearbox and transmission design consultancy remain a niche segment, its significance in the coming years is expected to grow as the demand for vehicles with enhanced performance, reliability, and durability continues to rise. (*Source CRISIL Report)* The table below illustrates some of the programs we have delivered in past three fiscals and as of date of this Red Herring Prospectus:

	Customer Segment	Program Description	End-product Application
	Aerospace	Lift & Prop Rotor reducers Design, Development & Validation	Electric – VTOL Aircraft
	Offroad/Specialty EV	Transmission Design, Development & Validation	All Terrain Vehicle
	Light Commercial Vehicle	E-Axle Design, Development & Validation	LCV for Last Mile Delivery
	Offroad/Specialty EV	2 Speed EV reducer Design, Development & Validation	Defense Offroad Vehicle
	Automotive	Transmission Sub-system Analysis & Optimization	Premium Motorcycle
	Aerospace	Transmission Design, Development & Validation	Hydrogen Fuel Cell Powered Aircraft
	Marine EV	High-speed Epicyclic Reducer Solution Design, Development & Prototyping	Hydro foiling Electric Boat

These achievements demonstrate our ability to deliver cutting-edge solutions across diverse applications. Leveraging Hewland's design-to-cost powertrain solutions and expanding our service capabilities, we drive innovation and deliver exceptional value across the automotive, aerospace, marine, and defence sectors, ensuring sustained growth in the evolving transportation landscape.

Focus on Strengthening Partnerships with Global Players for Technology

We believe in building long-lasting relationships with our customers. We do this by providing comprehensive products and services to meet requirements of our customers. We believe that we have been able to achieve this by partnering with third parties that have the required expertise.

- *Co-development of an economical CVT Variant – Partnership with enviolo:* In line with our growth strategy, we are poised to expand the market for CVT hubs with the introduction of an economical version of the CVT hubs co-developed with enviolo, tailored not only for the Indian and ASEAN markets but also economical e-bikes in developed economies. By venturing into this product offering, we not only cater to a broader spectrum of end customers but also solidify our commitment to innovation, adaptability, and delivering value to our customers. This strategic expansion aligns with our vision to lead in emerging market segments.

- *Hub motor based EDUs – Partnership with Yamaha:* As per the CRISIL Report, in the hub motor supply market, certain suppliers from the Asia-Pacific region account for majority of global volumes. Prominent players in this sector are primarily from China and include Bafang, MXUS, QS Motor, and Tongsheng. *(Source: CRISIL Report)* There are certain emerging players with good market presence, only limited companies provide comprehensive solutions to the e-bike market, and certain some entry-level players offer cost-effective customized solutions. Nevertheless, only few provide fully integrated systems. (*Source CRISIL Report*) Our differentiation encompasses various frame designs and frame tube options and localization of critical components such as the battery, charger, controller, and motor ensure high-quality performance. Additionally, an established service network contributes to the overall advantage of the system. Notably, the motor is sourced through our joint venture company, HYM, providing a foundation for vertical integration in the supply chain for OEMs. The market size of electric drive motors is projected to grow at a CAGR of 28% to 32% from 2025 to 2031 to reach ₹ 395 billion to ₹ 415 billion. Faster adoption of electrification, especially in e-scooters segment, is going to be a key driver for electric-drive motors with major geographies shifting their focus to clean mobility. (*Source: CRISIL Report*) Similarly, the market for electric drive units, which include motors, batteries, and sensors, is forecasted to grow at a CAGR of 10% to 12% over the same period. The market size is estimated to be ₹ 230 billion to ₹ 250 billion in 2026 and reach ₹ 420 billion to ₹ 440 billion by 2031. (*Source CRISIL Report*)] As an integral facet of this strategy, we ventured into the hub motors product segment through a joint venture with Yamaha Motors. This partnership brought together our capabilities as a high-quality, cost competitive solutions provider and Yamaha Motor's technological acumen. HYM strives to provide best quality electric hub motors to global e-two wheeler OEMs. As part of the joint venture, we access advanced Japanese motor design and validation technology to meet global standards. With our expertise and operational capabilities, HYM has been able to develop and manufacture these motors in a cost-effective manner. The initial product models were launched in Fiscal 2023 and have witnessed acceptance from e-bike OEMs. We intend to expand this partnership further into the global e-two wheeler motor product segment which we believe will help us to expand our market opportunity.

- *Dual Clutch Transmissions ("**DCT**") for Passenger Cars – Collaboration with Germany company:* Automatic transmissions are expected to remain the dominant transmission category, growing from 11.5 million units in 2024 to 14.2 to 16.2 million units by 2031, reflecting a CAGR of 3% to 5%. Continued consumer preference for convenience, coupled with rising penetration of SUVs and electrified vehicles, is expected to support demand. (*Source: CRISIL Report*) Notably, in the premium segment, technologies such as automatic transmissions, CVT and DCT are preferred as they offer smoother driving experience. Automatic transmission offers best driving experience but is the costliest among competing technologies. CVTs and DCTs are projected to be the fastest-growing segments, expanding at a CAGR of 4% to 6%, supported by increasing adoption in fuel-efficient, hybrid, and premium vehicles. (*Source: CRISIL Report*) We have entered into a non-binding term sheet regarding the conclusion of technology license agreement for manufacturing of DCT technology transmissions and related to this license, an engineering service and a sales and marketing service agreement with a global automotive parts manufacturing and technology companies with expertise in delivering DCT solutions to OEMs worldwide.

- *Forging Components Joint Venture – Strategic Collaboration with a German Company*: We have entered into a joint venture agreement dated March 7, 2025 with Vermögensverwaltung Plettenberg GmbH & Co KG along with its group companies (STP Group), a German company specializing in the production and distribution of high precision, hot and cold steel components, with a focus on forging components and process engineering, to establish a joint venture, namely, Munjal STP Industries Private Limited (the "**JV Entity**"). The JV Entity is a part of the A&M business unit, focused on producing forging components for automotive sector in India for global markets. STP Group, with its facilities in Germany, brings expertise in forging components, while we have a strong customer base in India, along with robust supply chain agility.

The forging industry plays a critical role in manufacturing, supporting sectors such as automotive, aerospace, industrial machinery, power generation, construction, railways, and mining equipment. The automotive industry is the largest consumer of forged components due to the high-performance requirements of vehicles. (*Source CRISIL Report*) With our Company holding 51% and STP Group holding 49% in the JV Entity, it aims to serve our collective existing customer base while targeting new customers globally. The demand for forged components is expected to grow in alignment with advancements in automotive and industrial applications. (*Source CRISIL Report*) We believe this joint venture provides high-quality, forged powertrain parts, strengthening our positions in the global automotive supply chain. The infographic below sets forth the joint venture's potential product portfolio, including forgings for gears, shafts, crankshafts, rolled rings, connecting rods, axle components, and other complex applications.

Representative images

The shift towards electric vehicles presents new opportunities for forging in battery casings, lightweight structural components, and electric drivetrain systems. The aerospace and power generation industries continue to rely on forging for critical components requiring superior mechanical performance. With ongoing innovations in materials, process automation, and energy-efficient forging techniques, the industry is poised to maintain its relevance as a backbone of global manufacturing. (*Source CRISIL Report*)

Further as part of our growth strategy, we continuously seek opportunities for strategic partnerships that align with our objectives and help drive expansion.

Pursue Inorganic Growth Opportunities

We are in the process of and intend to continue actively pursue inorganic growth opportunities to expand our market presence and enhance our offerings. As part of our strategic initiatives, we continue to evaluate opportunities for potential acquisitions, investments, or joint ventures. We believe that our evaluation focuses on opportunities aligned with the Powertrain Solutions business, particularly those that:

- strengthen our position in current product segments and end-application segments we operate in;
- improve efficiency and reduce costs through synergies;
- add new products or technologies to our portfolio; and
- offer further expansion potential, with entry to new markets or regions

In Gears & Transmissions, we intend to seek synergistic opportunities that enable business growth through access to new customers, complementary product segments, and adjacent applications, alongside operational efficiencies. In Bike Powertrain, we are focused on opportunities that bring in advanced technologies and capabilities to strengthen our design and engineering

proposition. As of the date of this Red Herring Prospectus, we have not entered into any binding agreements in relation to any potential acquisition. In future, we intend to leverage the experience of our past acquisitions to execute our strategic objectives.

BUSINESS OPERATIONS

We offer design and validation services, development, manufacturing and supply of engineered systems and components to automotive OEMs and other industries in the United States, Europe, United Kingdom, India, and the ASEAN region. Our expertise spans powertrain solutions and alloy and metallics segments for both electric as well as non-electric vehicles. By focusing on research and development, and utilizing in-house hardware and software capabilities, we create mechanical and electrical components and systems. Our products include features such as high-power density, lightweight designs, durability, better efficiency, and enhanced performance. These solutions are tailored to meet the evolving demands of our customers, while maintaining our margins.

Systems and Components

Our systems and component offerings include gear components, assemblies, gearboxes, e-axle systems (i.e., an integrated drive solution that combines an electric motor, power electronics, and transmission into a single unit, providing efficient propulsion for electric vehicles), motors, drive systems in Powertrain solutions and various structural components in Alloy and Metallics for electrified as well as non-electrified two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and non-automotive sectors.

Descriptions of the primary systems and components offered by us are set out below:

Powertrain Solutions:

- ***Gear sets, assemblies and gearboxes:*** We are focused on manufacturing and developing gear systems, assemblies and components. Our product offerings include complete gearbox, gears and shaft assemblies, gear components like engine gears, timing gears and sprocket assemblies. We have in-house engineering capabilities for these products, and use precision technologies including teeth honing, teeth grinding and laser welding, which delivers finely finished gears having DIN - 5/6 standards (German Institute for Standardization) (or International Organization for Standardization ("**ISO**") 5/6 grade) and minimal defects (less than 10 parts per million). The gearboxes and related gear components that we manufacture are used for a wide variety of applications which includes two-wheeler (both ICE and EV), off highway (all-terrain-vehicle ("**ATVs**"), lawn mowers amongst others), e- three-wheeler and four-wheeler application (hybrid ICE and EV).

- ***Continuous variable transmission hubs***: CVT technology enables riders to shift gear ratios with no effort or minimal effort (stepless shifting) and is near silent. CVT gear system uses a set of rotating, tilting balls positioned between the input and output traction rings of a transmission. In 2020, we entered into an agreement with enviolo for the co-development of an economical version of the CVT hub named "Urban" for Indian and ASEAN and European markets. We launched the Urban hub in Fiscal 2024. The key features of this CVT are stepless shifting, shifting even under load, greater gear ratio range, maintenance free, connectivity through mobile application, near silent automatic shifting, bluetooth connectivity and extended product lifetime. These hubs are used in mid motor bikes/push bikes and having IP-65 rating (rating which describes the degree of protection against accidental contact and ingress of dust along with water jets from any direction) and are validated at enviolo research and development facility, situated in Texas, United States. We have also developed a strong and scalable supply chain including both import and local supplier.

- ***Electric motors***: We have designed and developed 36 volt electric hub motors for use in electric two-wheelers with IP-65 rating. The key features of the motor are higher torque, higher efficiency, improved magnet performance and temperature protection compared to comparable models in the market. These motors are jointly developed and validated in close partnership with Yamaha Motors, Japan. We launched these products at the Eurobike Show 2023 and are currently in the early phase of supplying pilot batches to the OEMs. To expand the portfolio further, we have started development of motors with in-built thermal sensors, integrated gearbox, as well as light-weight variants. We are also focusing our attention on other segments such as two-wheeler and e-three wheelers. These motors are designed on a modular platform to cover entire range of vehicles in each category.

We intend to introduce our high-efficiency, India-designed EDU, thereby establishing new industry benchmarks for design, reliability, and performance. We believe we can deliver value and innovation in sustainable mobility, serving as a comprehensive solution provider, supported by our brand commitment.

- ***E-Drive systems***: We design and develop full electric drive systems which includes battery, motor, controller, sensors, display, and charger. The variant focused on the Indian market includes a throttle as well. These components are fully integrated to function as one system with proper communication protocols such as UART and CAN. UART facilitates simple, widespread data exchange between devices like controllers and HMIs, using two wires for transmission. CAN, on the other hand, provides high-speed communication ideal for automotive and industrial systems, employing a differential two-wire network to connect various control units like controllers, HMIs, brain-machine interfaces, and chargers. Motors are being sourced through our joint venture with Yamaha Motors, while all other components are obtained from automotive localized suppliers. We have launched the model for the Indian market and are currently in the process of developing models specifically tailored for the European and Japanese markets.

Alloy and Metallics

- ***Alloys and metallics components ("A&M")***: We manufacture and develop alloys and metallics components for domestic auto OEMs and industrial applications. The components include auto parts like chain case, swing arms, main stand and engine guard, as well as machined components like cylinder blocks. We have in-house engineering capabilities for these products and deploy pressing, welding – robotic and spot welding / projection welding/ metal inert gas welding, machining, painting – powder coating, plastic painting and metal paint for manufacturing purposes.

The table below sets forth the breakdown of our revenue from operations from Powertrain Solutions and A&M segments for Fiscal 2026, 2025 and 2024:

Segment	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Powertrain Solutions	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
A&M	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

Key Manufacturing Processes

The manufacturing processes involved in the production of our key systems and components are described below:

Gear sets, assemblies and gearboxes

We design, develop and manufacture gears components and systems at our facility located in Gautam Buddha Nagar, Uttar Pradesh, India at Maidenhead, United Kingdom and at Samut Prakan, Thailand.

Our gear manufacturing process starts with the preparation of designs, two dimensions ("**2D**") and three dimensions ("**3D**") drawings and technical specifications. This forms the basis for determining which processes need to be followed and tooling prepared. Then the manufacturing process starts, where gear blanks are purchased as raw materials, followed by various processes – hobbing, shaping, shaving, heat treatment, deburring, hard turning, inner and outer diameter grinding, DMC marking, spline rolling, super finishing, honing, teeth grinding, crack detection, shot peening, washing, assembly, end-of-line testing, packing and dispatch.

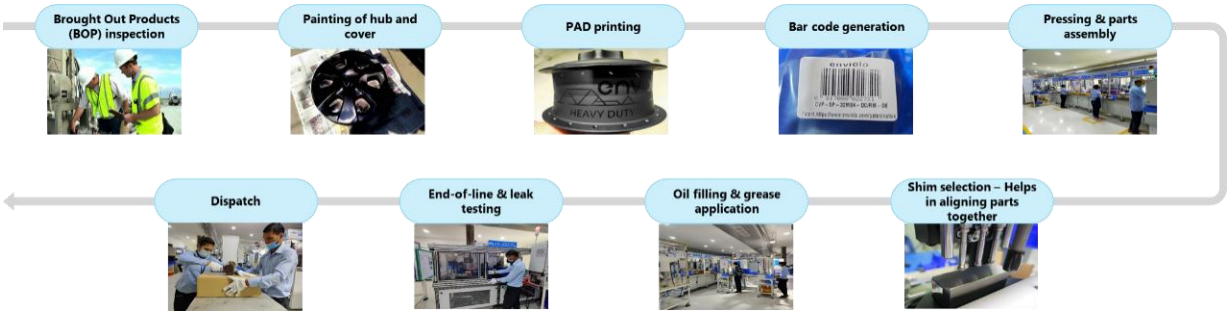
The process flow diagram of gear set and gearbox assembly is as follows:

The manufacturing process is customized as per customer requirements to deliver quality products. We follow a manufacturing process to ensure that these products have precise finishing with tolerance levels of 0.001mm, which are required for superior performance for noise, vibration, and harshness.

CVT hubs

We manufacture CVT hubs at our facility located in Gautam Buddha Nagar, Uttar Pradesh, India. We purchase the hub shell and other small parts for final assembly to CVT hubs before final packing and dispatch. Our assembly lines follow a tracing mechanism with bar code generators in place at every step of the assembly line. This allows easy detection of faults.

The process flow diagram of continuous variable transmission hubs is as follows:



We commenced the second assembly line of the CVT hubs in May 2022.

Electric Motors

We design, develop and manufacture electric motors at our facility located in Ludhiana, Punjab under HYM brand, our joint venture with Yamaha Motors Japan. Within this partnership, Yamaha Motor serves as our design verification and validation collaborator, while HYM retains full autonomy over the design and manufacturing processes of its electric motors.

HYM has developed e-bike motors with various configurations including single speed, multi speed, cassette type, drum brake, different locknut dimensions internal temperature sensor and different torque to cover the entire global e-bicycle market. Our motors are designed on a modular platform, strategically engineered to accommodate the entire spectrum of vehicles within each respective category.

Our manufacturing process adheres to high standards of quality and efficiency. We operate a fully integrated poka yoke (or a mechanism in a process that helps an equipment operator avoid mistakes) proof semi-automatic production line, wherein each station is inter-connected, allowing data traceability through product code scanning. This ensures transparency and accountability at every stage of the manufacturing process.

The process flow diagram of motor assembly is as follows:

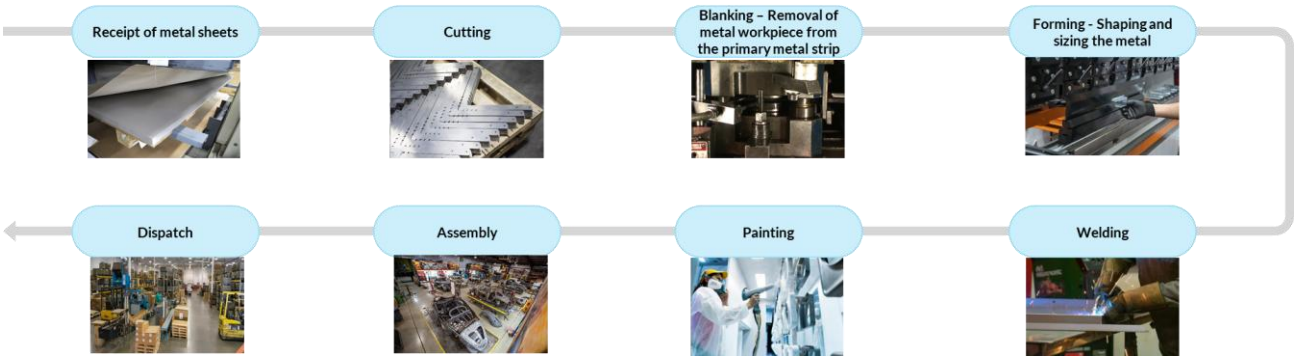
E-Drive systems

We design and develop full drive systems for the electric two-wheelers segment, which includes electrical and mechanical systems such as motor, battery, controller, sensor, display, charger, and throttle. All these components are sourced through automotive suppliers, with motors being sourced through our joint venture with Yamaha Motors. These components are transported to our facility in Gautam Buddha Nagar, Uttar Pradesh, India for a visual inspection which is followed by component testing, assembly of all the components into a complete kit, kit inspection as well as testing, subsequent to which these are packaged and dispatched.

Alloys and Metallics

We manufacture and develop A&M components at our facility located in Gautam Buddha Nagar, Uttar Pradesh and at our Ludhiana, Punjab facility. Our manufacturing process starts with the preparation of designs, 2D and 3D drawings. This forms the basis for determining which processes need to be followed and tooling prepared. Then the manufacturing process commences, where metal sheets are purchased as raw materials, followed by various processes such as cutting, blanking, forming, welding, painting, assembly, packing and dispatch.

The process flow diagram of alloys and metallics components is as follows:



Manufacturing Facilities

As of March 31, 2026, we operated six manufacturing and assembly plants across India, the United Kingdom and Thailand. Of these, four facilities are in located India, with three in Ludhiana and one in Gautam Buddha Nagar, Uttar Pradesh. This includes the manufacturing facility with our joint venture with Yamaha Motors, in Ludhiana.

The table below sets forth details of our manufacturing facilities and the components manufactured:

S. No.	Facility	Description of Operations
1.	Gautam Buddha Nagar, Uttar Pradesh	Design and development of powertrain solutions and manufacturing of powertrain solutions, alloys and metallics components
2.	Mangli, Ludhiana, Punjab	Manufacturing of alloys and metallics components
3.	HYM, Ludhiana, Punjab	Manufacturing of electric motors for electric vehicles
4.	Maidenhead, United Kingdom	Design and manufacturing transmissions for motorized vehicles and consulting services
5.	Samut Prakan, Thailand	Manufacturing of vehicle parts, engine system parts, gearbox and transmission parts, including parts or spare parts related to such products for motorcycles and vehicles
6.	SPUR, Ludhiana, Punjab	Manufacturing of alloys and metallics components

In addition to the above, our Company is in the process of setting up a new manufacturing facility at (i) Plot No.188, Jakkasandra Industrial Area, Sy No. 96 & 99/1, Jakkasandra Village, Kasaba Hobli, Malur Taluk, Kolar District – 563130, Bengaluru, Karnataka for the purpose of which our Company has entered into a lease agreement which is valid for a period of five years commencing from July 17, 2026 and (ii) at Block B, Plot No. A-01 (B)-01, Khasra no.27//17, 18, 23, 24, 37//4 (Village Bonkar), Khasra No. 4//23, 24, 13//3, 4 (Village Dhanasu) at Industrial Park, District Ludhiana, Punjab for the purpose of which our Subsidiary, MSIPL, has entered into a lease agreement which is valid for a period of thirty three years from October 29, 2025.

HYM Facility

The HYM facility is equipped with a motor assembly line, along with in-house motor winding, and testing equipped with software system for 100% traceability.

Thailand Facility

Our facility in Thailand is situated strategically at the Asia Industrial Estate, near Suvarnabhumi. This facility is equipped with semi-automated assembly lines, inhouse soft and hard machining of gears, heat treatment facilities with end-of-line testing of powertrain systems, EDU, and engine requirements in a phased manner. This facility intends to offer "build-to-print", "design-to-cost"* and "custom-made"** powertrain solutions to OEMs.

* *Design to Cost in gearbox transmissions involves an approach that integrates cost considerations throughout the entire product development lifecycle, from initial concept studies to mass manufacturing and supply. It focuses on optimizing design, material selection, and manufacturing processes to meet specific cost, weight, and performance targets without compromising quality or reliability.*

** *Custom made refers to product that is specially designed and crafted to meet the specific requirements, preferences, or specifications of an individual customer. It indicates that the product is tailored to the customer's unique needs and often involve personalized features, sizes, materials, or designs.*

Gautam Buddha Nagar Facility

Our facility in Gautam Buddha Nagar, Uttar Pradesh is used for the production of both Powertrain solution products and Alloy and Metallics products. The facility is equipped with in-house soft and hard machining of gears, heat treatment facilities and engine requirements in a phased manner. This facility intends to offer "build-to-print", "design-to-cost" and "custom-made" powertrain solutions to OEMs. The facility is also equipped with two semi-automated assembly line for CVT, along with in-house leak testing and end of line testing. The facility is also used for EDU operations and test and validation and is also equipped with latest test machines/set ups catering to most of the test and validation requirements of all the components, e-bike systems and vehicles.

Ludhiana Facility

Our facility in Mangli, Ludhiana, Punjab is used to produce Alloy and Metallics products. The facility is equipped with in-house manufacturing facility of rolling, bending, stamping, fully automatic electro plating plant and assembly line for various

OEMs. The facility is also equipped with modern test machines/ set ups catering to most of the test and validation requirements of all the manufactured components.

Maidenhead Facility

Our facility in Maidenhead, United Kingdom has machining, heat treatment, and quality assurance capabilities, fostering a comprehensive in-house operation that reduces costs and lead time. Our expansive capabilities range from bevel gear grinding using KIMoS closed-loop manufacturing (a system designed to enhance manufacturing efficiency and quality by integrating feedback loops at various stages of the production process) to internal and external spur and helical gear grinding. We possess helical gear shaping, gear hobbing, and bore broaching (precision machining to refine internal cylindrical holes), alongside 4 and 5 axis multi-pallet milling machines and turn mill capabilities. Our manufacturing operations include sealed quenching furnace heat treatment and metallurgical testing, shot peening (surface treatment to enhance metal strength and durability), super finishing, computer controlled machine grinding, i.e., automated precision surface finishing using computer-controlled machine, precision hard turning, and wire eroding facilities. Our commitment to quality extends to inspection and testing with co-ordinate measuring machine ("**CMM**") inspection, i.e., a device for precise measurement for object's dimensions and geometry, contour tracing, and non-destructive testing facilities which employes methods for inspecting materials or structures without causing damage. Moreover, our purpose-built assembly workshop and clean room, staffed by a dedicated team of assembly technicians, enable us to assemble all gearboxes in-house, offering full rebuild capability and spin test rig services. This facility enables us to assemble transmissions without compromising on quality and meeting stringent deadlines. We are equipped to handle advanced gearbox builds with precision and efficiency.

Installed Capacity, Annual Average Available Capacity, Actual Production and Capacity Utilisation

The information relating to the installed capacity, average annual available capacity, actual production and capacity utilisation of our products included below and elsewhere in this Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account in the calculation of our capacity, and these have been certified by Deba Engineers & Consultants, independent chartered engineer.

Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Red Herring Prospectus. See "*Risk Factors – Information relating to our annual installed capacity, annual average available capacity 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.*" on page 52.

[*Remainder of this page intentionally left blank*]

The following tables set forth certain information relating to the installed capacity, annual average available capacity, actual production and capacity utilisation of our products for Fiscal 2026, 2025 and 2024:

Products	As of/for the year ended											
	March 31, 2026				March 31, 2025				March 31, 2024			
	Installed Capacity (No. of parts) [(1)]	Annual Average Available Capacity (No. of parts)[(1)]	Actual Production (No. of parts) [(2)]	Capacity Utilization (%)[(3)]	Installed Capacity (No. of parts) [(1)]	Annual Average Available Capacity (No. of parts) [(1)]	Actual Production (No. of parts) [(2)]	Capacity Utilization (%)[(3)]	Installed Capacity (No. of parts) [(1)]	Annual Average Available Capacity (No. of parts) [(1)]	Actual Production (No. of parts) [(2)]	Capacity Utilization (%)[(3)]
GB Nagar Facility												
Powertrain	72,67,830	59,73,559	52,71,474	88.25%	72,58,933	59,66,246	49,41,660	82.83%	62,90,017	51,69,877	44,03,077	85.17%
Sheet Metal	2,05,64,200	1,64,04,200	1,23,00,874	74.99%	2,03,48,750	1,67,25,000	1,24,41,157	74.39%	2,03,48,750	1,67,25,000	1,23,30,258	73.72%
Total (A)	**2,78,32,030**	**2,23,77,759**	**1,75,72,348**	**78.53%**	**2,76,07,683**	**2,26,91,246**	**1,73,82,817**	**76.61%**	**2,66,38,767**	**2,18,94,877**	**1,67,33,335**	**76.43%**
Mangli Facility												
Powertrain	-	-	-	-	-	-	-	-	-	-	-	-
Alloy & Metal	87,43,138	72,50,250	60,42,250	83.34%	92,93,138	76,70,250	57,88,906	75.47%	91,82,670	75,47,400	57,36,600	76.01%
Total (B)	**87,43,138**	**72,50,250**	**60,42,250**	**83.34%**	**92,93,138**	**76,70,250**	**57,88,906**	**75.47%**	**91,82,670**	**75,47,400**	**57,36,600**	**76.01%**
HYM Facility												
Powertrain	1,57,956	1,30,711	19,033	14.56%	1,45,956	1,19,964	7,078	5.90%	**1,45,956**	**98,770**	**2,085**	2.11%
Alloy & Metal	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**1,57,956**	**1,30,711**	**19,033**	**14.56%**	**1,45,956**	**1,19,964**	**7,078**	**5.90%**	**1,45,956**	**98,770**	**2,085**	**2.11%**
Thailand Facility												
Powertrain	20,628	13,959	540	3.87%	20,628	13,959	1,040	7.45%	20,628	6,980	835	11.96%
Alloy & Metal	-	-	-	-	-	-	-	-	-	-	-	-
Total (D)	**20,628**	**13,959**	**540**	**3.87%**	**20,628**	**13,959**	**1,040**	**7.45%**	**20,628**	**6,980**	**835**	**11.96%**
UK Facility												
Powertrain	15,05,636	7,96,131	1,92,613	24.19%	15,17,350	8,02,325	2,50,750	31.25%	4,79,229	3,24,300	84,840	26.16%
Alloy & Metal									-	-	-	-
Total (E)	**15,05,636**	**7,96,131**	**1,92,613**	**24.19%**	**15,17,350**	**8,02,325**	**2,50,750**	**31.25%**	**4,79,229**	**3,24,300**	**84,840**	**26.16%**
Spur Facility												
Powertrain	-	-	-	-	-	-	-	-	-	-	-	-
Alloy & Metal	81,93,280	71,30,470	35,85,783	50.29%	81,93,280	34,28,267	15,57,445	45.43%	19,60,780	16,11,600	2,37,276	14.72%
Total (F)	**81,93,280**	**71,30,470**	**35,85,783**	**50.29%**	**81,93,280**	**34,28,267**	**15,57,445**	**45.43%**	**19,60,780**	**16,11,600**	**2,37,276**	**14.72%**
TOTAL (A+B+C+D +E+F)	**4,64,52,668**	**3,76,99,281**	**2,74,12,567**	**72.71%**	**4,67,78,034**	**3,47,26,011**	**2,49,88,036**	**71.96%**	**3,84,28,030**	**3,14,83,927**	**2,27,94,971**	**72.40%**

* *As certified by Deba Engineers & Consultants, independent chartered engineer, by certificate dated August 28, 2026.*

Notes:

(1) Installed capacity represents the installed capacity as of the last date of the relevant Fiscal and the annual average available capacity has been calculated based on the average of daily available capacity for the relevant Fiscal. The installed capacity and the annual average available capacity are based on various assumptions and estimates, including standard capacity calculation practice in the Indian automotive component industry and capacity of other ancillary equipment installed at the relevant manufacturing facility.

(2) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal.

(3) Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the annual available capacity during such Fiscal.

(4) As the Company is diversified between Powertrain Solution & Alloy & Metallics, capacity assessment has been done in the following manner:

(a) All manufacturing facilities operate on 300 working days basis except UK Facility, Thailand Facility and HYM Facility, operating on 247 working days on full financial year basis.

(b) For all manufacturing facilities to calculate annual average available capacity, 3 shifts of operations is considered.

(c) Start of production date for new plant / new production line is factored while calculating annual average available capacity, actual production and consequent capacity utilization.

(d) Spur Facility, has six major lines of production, i.e., alloy rim line which started operations from June 2022, fork line which started operations from November 2022, two engine guard lines which started operations from May 2024 & October 2024 respectively, handlebar line which started operations from August 2024 and pedal gear change line which started operations from August 2024. Accordingly, annual average available capacity and actual production reflects production from the date of operations.

(e) Thailand Facility started operations from October 2023 and accordingly annual average available capacity and actual production reflects production from the date of operations

In addition, Hero EDU designs integrated systems and sources these components used in e-bike such as motor, controller, battery, charger, and sensor amongst others, which are then supplied to relevant OEMs who assemble these components into the final products at their relevant facilities. Considering that the Hero EDU is not primarily engaged in manufacturing of components, it is not possible to calculate the installed capacity, annual average available capacity, actual production and capacity utilization for any of the year.

[*Remainder of this page intentionally left blank*]

Design and Engineering Services

Our range of services in addition to manufacturing, includes design to cost solutions, covering conceptual designs to engineering solutions.

Our proficiency extends to the design and enhancement of both new systems and components, as well as improvement of existing ones. We employ design analysis and simulation to ensure performance and efficiency in our solutions. With rapid prototyping, testing, and validation, we evaluate the effectiveness and reliability of our designs. Moreover, we also optimize our solutions across various facets, including cost, design, processes and materials to achieve reduced weight and enhanced performance. We believe our focus on process and material optimization allows us to deliver efficient and sustainable solutions.

Through a co-development approach, our engineering team collaborates closely with our customers to create customized components tailored to their specific applications. We work together to develop a cost-effective manufacturing solutions, ensuring desired results for their needs. Our involvement spans the entire product development journey, from conceptualization and design to prototype manufacturing and serial production. By providing comprehensive support at each step, our goal is to assist our customers in achieving their success. For certain of our recent projects with our key customers, the turnaround time ranged between 14 months to 33 months starting from our first interaction with the customer where they specify their requirements. The average turnaround time for these projects was 25 months.

Our R&D capabilities are driven by a comprehensive suite of simulation and computer-aided design software. This includes Ansys Maxwell for motor design, Creo Parametric for 3D/2D modeling, and structural and thermal simulation, as well as SolidWorks for gear transmission design. Our ongoing investments in R&D underscore our commitment to continuous enhancement and innovation.

Within our testing and endurance labs located in Ludhiana, Punjab and Gautam Buddha Nagar, Uttar Pradesh, we employ advanced machinery to validate and ensure the quality and performance of our motors. This includes motor dynamo testing machines, magnet testing machines, noise and vibration test setups, an Anechoic chamber, back EMF testing rigs, cogging torque test rigs, and others. These instruments, sourced from reputed manufacturers, provide accuracy and enable testing under various environmental conditions. Additionally, our dedicated endurance lab facilitates continuous motor operation across diverse environmental parameters.

We ensure consistent service delivery by following an automotive process, which includes:

- Development of a Technical Design Specification ("**TDS**") or a Target Book.
- This is followed by concept generation with structured ranking and selection of the best solution for the determined criteria or metrics. For example, size, weight, package, performance, efficiency and noise, vibration and harshness.
- The next step is concept maturation through design and analysis techniques that include: (i) high level geartrain analysis to confirm main performance targets; and (ii) design reviews to check and confirm alignment to TDS.
- Following concept maturation, design and analysis is aligned to the TDS. This phase may involve the following types of work including gear, shaft and bearing optimization; structural optimization through finite element analysis; oil management through meshless computational fluid dynamics oil circuit analysis; supplier evaluation and selection; early production engineering assessment to ensure manufacturing feasibility; design failure mode and effect analysis and potential failure mode and effect analysis activities to ensure risks have been identified and mitigated; tolerance stack checks; and drawing generation and checking.
- Thereafter production engineering teams collaborate with design engineers to optimize manufacturing methods. This includes: (i) design of manufacture reviews; (ii) structures and routings generated for each part based on the internal capabilities of our facility; (iii) determination of required machining centre or processes required and plans put in place; (iv) work holding and tooling is developed; (v) automated manufacturing programs are generated; and (vi) control plans are developed to ensure the level of inspection is aligned to the expectations of the project.
- Next, manufacturing and tests are aligned to specific customer requirements or following output from the design failure mode effect analysis, a standard process in design and development. Typically, we would follow the standard automotive three stage approach. The initial stage involves validating the concept and testing the prototype. The subsequent stage extends this testing to optimize the prototype and ensure it meets product specifications. The final stage involves comprehensive testing to confirm that the technology, manufacturing, and supply chain function effectively at commercial production levels.

Finally there would be 'end of line' testing depending on volume and customer preferences set up to confirm if "Run at Rate" units are functioning correctly. Depending on the scope, further testing may be included.

Research and Development and Technology

We possess research and development capabilities, along with expertise in engineering, design, and advanced in-house technological resources. Our technology centers in India and the UK consists of 84 research and development personnel, as of

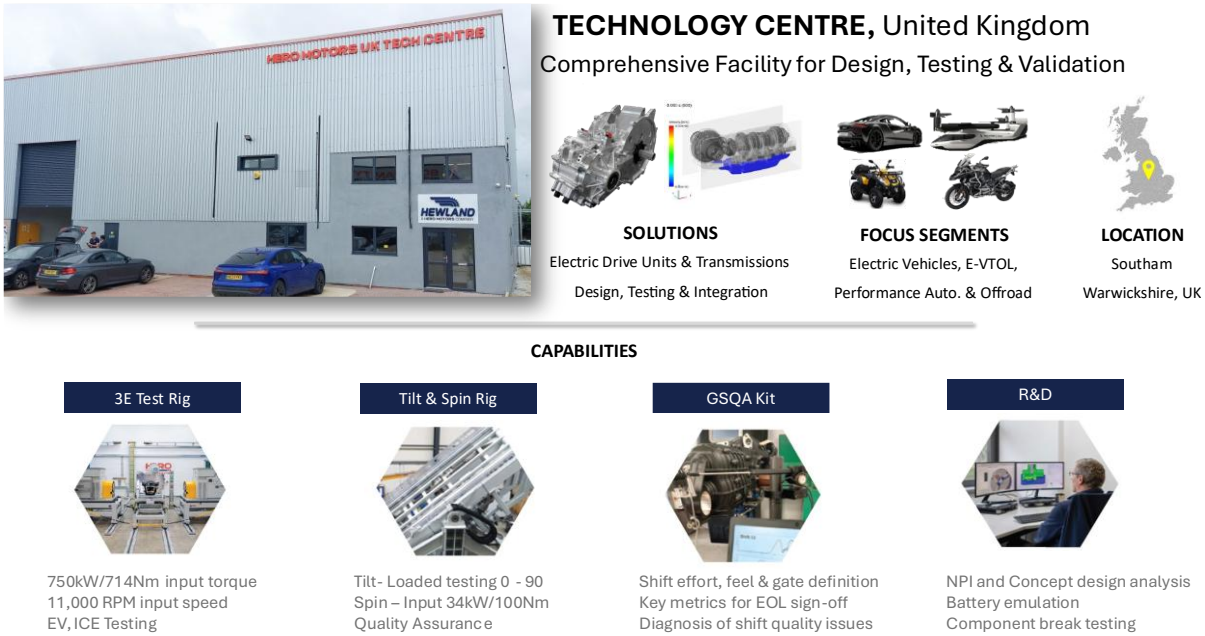
March 31, 2026, is overseen by a team with experience in powertrain and micro-mobility solution design and development. Our testing labs enhance our capabilities in design and development through evaluation and validation processes.

The following table outlines the specifics of our technology centers:

Location	Target vehicle segment	Systems and Components
India	Hybrid and EVs	Motors and complete drive systems
UK	Hybrid, EVs and ICE	Powertrain solutions, gearboxes, assemblies and e-axles

Our research and development team comprises 84 employees and accounts for 6.05% of our permanent employees, as of March 31, 2026.

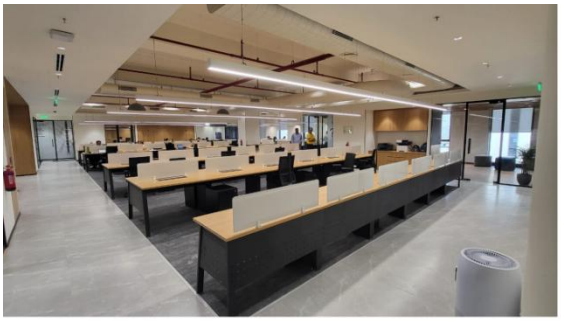
An overview of our technology center at Southam, United Kingdom is shown below.



Our R&D centers are equipped with simulation and computer aided design software such as Ansys Maxwell for motor design, Creo Parametric & Simulation for 3D/2D and structure and thermal simulation, and Solid Works for gear transmission design with dedicated simulation experts We have a testing and endurance lab that includes motor dynamo testing machining, magnet testing machine, noise and vibration test set up, Anechoic chamber, back EMF testing rig, Coggin torque and test rigs for reflection-free environment for precise electromagnetic and acoustic testing, measure electromotive force in machinery, and assess torque fluctuations in motors, respectively. Our endurance test lab simulates different environmental conditions and motor performance in these conditions.

Our bike powertrain technology center in Gautam Buddha Nagar, Uttar Pradesh focuses on enhancing our product portfolio to align with market needs through efforts in benchmarking, trend analysis, and optimizing current models. Supported by a team of engineers specializing in system engineering, product development, and test and validation, the technology centre empowers us to expand our 'ESYNC' portfolio and maintain our competitive advantage.

An overview of our bike powertrain technology centre is shown below.



TECHNOLOGY CENTRE, India

Comprehensive Facility for Design, Testing & Validation

SOLUTIONS

Advanced-Connected

Electric Drive Units

FOCUS SEGMENTS

E-Bikes, E-2W

and E-3W

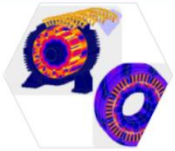
LOCATION

Delhi NCR,

India

CAPABILITIES

Modern Software



3D Modeling CREO / SolidWorks

Ansys Maxwell 2D/3D

Ansys RM Xpert

Testing and Validation

Electrical Tests, Thermal test,

Dyno Test, Back EMF, N-T

Endurance Testing

EPAC Vehicle Dyno

Vehicle performance,

pre-homologation

Controller development

Road load simulation

R&D

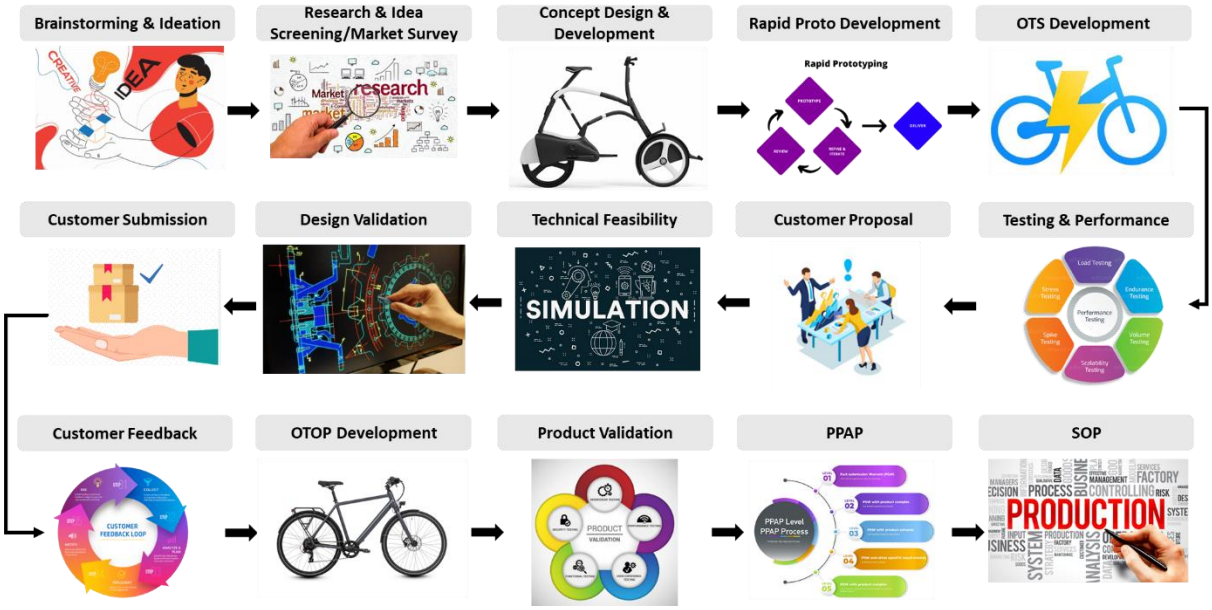
NPI and Concept design analysis

Battery emulation

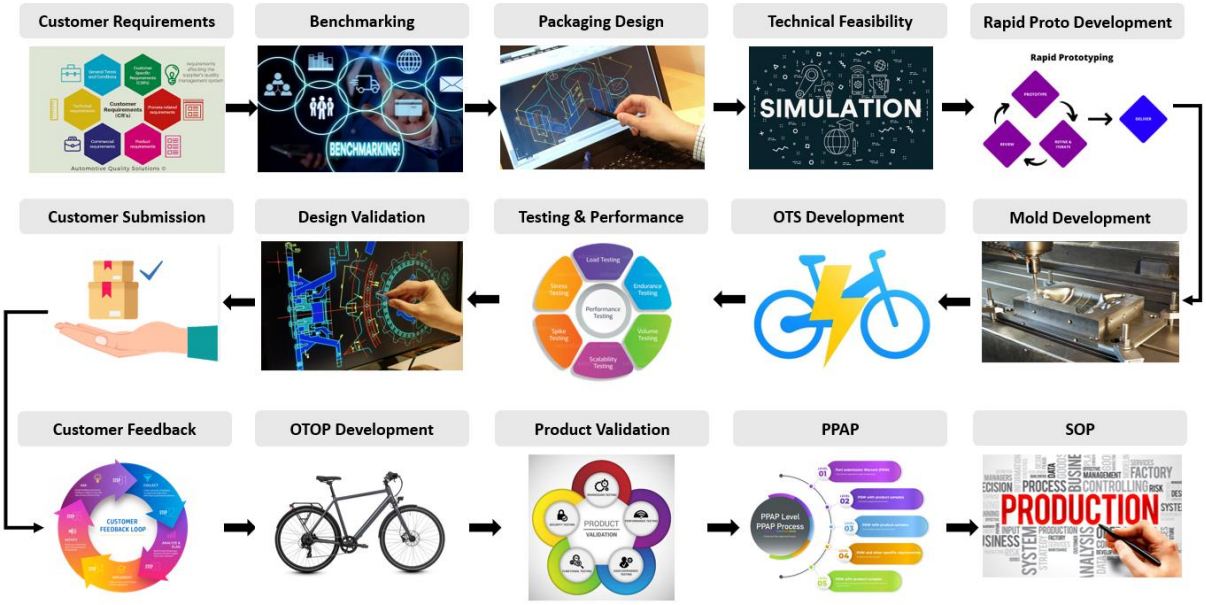
Component break testing

The design process flow of EDU systems for new product development and customization of product for customer requirements are set out below:

New Product Development



Note:
OTS refers to off the shelf, i.e., components that are ready-made and are available for sale to general public.
OTOP refers to out of tool, out of process, i.e., near final component sent to approval of the customers.
PPAP refers to production part approval process, i.e., refers to a standardized process where it is demonstrated that the supplier has met all the requirements of the customer according to their standards.
SOP refers to start of commercial production of the particular component.
Product Customization for Customer Requirements



- We augment our capabilities through strategic partnerships with diverse entities, aimed at advancing our design and development proficiency via training initiatives and collaborative ventures. The table below sets forth certain of our collaborative endeavors for technological advancement:

Entity	Nature of Collaboration	Year	Product	Segments
Yamaha Motors Japan	Joint venture	2022	Electric motors	Global electric two-wheelers
Hewland Engineering Limited	Acquisition	Strategic stake in 2022 and majority stake in 2023	Transmission systems	Global 2Ws, PVs, CVs, ATVs (EV and ICE)
STP Group	Joint Venture	2025	Develop, manufacture and sell forging components for the automotive sector	Alloy and Metallics

Through these collaborations/acquisitions, we have broadened our design and engineering competencies to encompass powertrain and transmission components and systems across automotive and non-automotive segments. Pursuant to the collaboration/acquisition, we have also been able to expand our customer portfolio.

The table below sets forth the list of programs that have been awarded to us, along with the corresponding details:

S. No.	Customer Detail	Program Name	Customer Location	Year of Commencement of Production
1.	Indian OEM of electric three wheelers ("**E3Ws**")	Program R	Within India	2026
2.	Indian / Japanese OEM of E3Ws	Program S	Within India	2026
3.	European manufacturer of Premium and luxury automobiles and motorcycles	Program A 2	Outside India	2026
4.	European manufacturer of Premium and luxury automobiles and motorcycles	Program A 3	Outside India	2026
5.	European manufacturer of Premium and luxury automobiles and motorcycles	Program A 4	Outside India	2026
6.	European electric hypercar OEM	Program Q 1	Outside India	2026
7.	British OEM high-performance motorcycles	Program P 1	Outside India	2026
8.	Italian OEM high-performance motorcycles	Program B 4	Outside India	2026
9.	Two-Wheeler OEM	Program O 1	Outside India	2026
10.	British OEM high-performance motorcycles	Program P 2	Outside India	2027
11.	Italian OEM high-performance motorcycles	Program B 5	Outside India	2025

Sales and Marketing

Our business development team identifies challenges faced by existing and potential customers and recognizes areas where we can offer customized solutions. To fulfill customer requirements of customized solutions, the business development team works with internal quality, research and development, engineering, sourcing and process improvement teams. This process helps the team to understand our capabilities and whether we are able to fulfill specific customer requirements. This forms an important process of our engagement with customers as it builds trust in the customer about our capabilities and resources.

Our business development team generates new leads and nurtures them through multiple channels. Upon the receipt of the request for proposal, team gets the proposal prepared along with the relevant team and is shared with the proposed customer and upon conversion of proposal to offer, a nomination letter, purchase order or a general purchase agreement is entered. These contracts can be long-term as well as short-term, depending upon the nature of the business.

There are key account managers for every business division, working towards maintaining relations with existing customers and gaining new business.

Customers

We serve a broad range of customers in India and overseas. Our global customer portfolio includes both automotive and non-automotive players. Globally, our customers include BMW, Ducati, enviolo, Hero MotoCorp, TACO Punch Powertrain, Hummingbird EV, Formula Motorsport, HWA Engineering; Escorts, B&S and several others across various vehicle segments including two-wheelers, performance automotives, e-bikes, off-road vehicles, electric and hybrid cars, heavy duty vehicles, and eVTOL.

The table below sets forth details of key customers across various product segments, as well as the length of our relationship with such customers:

S. No.	Name of Customer	Segment Served	Period of Relationship (in number of years)
1.	European Premium two wheeler OEM	Gears and Transmissions	15
2.	Ducati	Gears and Transmissions	10
3.	European Motorsport organizer	Gears and Transmissions	10+
4.	Global two wheeler OEM	Gears and Transmissions	10+
5.	Enviolo	Bike Powertrain	7
6.	Hero MotoCorp Limited	Alloys and Metallics	25

Our primary focus is on strengthening customer relationships by prioritizing their needs in terms of design compliance and engineering standards. To achieve this, we offer integrated solutions and actively engage with our customers throughout the development process, from concept to delivery, in order to develop systems that align with their requirements.

For existing customers, we upgrade our product quality and actively engage with them to understand and address their concerns. We have a dedicated team for customers to interact frequently with, which has resulted in customer satisfaction over the years, thereby resulting in lengthy periods of association. In our experience, this has also resulted in increased business from top global customers, and in some cases, us being the single source supplier to certain customers.

Customer Acquisition

Our business development team interacts with potential customers for new businesses, after which these customers issue RFQs to us. This process typically takes several months which includes quotations, customer visit and audits, technical discussions, and commercial negotiations, after which the customer awards the business. After receiving an RFQ, we prepare a detailed proposal encompassing proposal scope, tentative timelines, technical specifications, product features, sample plan, validation plan, regulations and compliances, and performance expectations. Once all customer requirements are met, we are awarded the program with timelines and scope re-defined as per customer and business needs. This process allows us to understand our customers' business requirements, including design and performance needs. Based on these, we deliver integrated and customized solutions for critical automotive systems and components.

Customer Agreements

As per global standards, we sign agreements with our customers based on their requirements and the agreed terms. These agreements list all the specific confirmations from customers which includes component and system requirements, duration of program, supply location, costing and volume projections, intellectual property, warranty requirements, inspections and quality control requirements. Throughout the program period, our customers regularly update and release delivery schedules to ensure a seamless and efficient supply chain process. We believe that by maintaining effective communication with our customers, we can meet their specific program needs and foster successful collaborations throughout the supply process.

Our business footprint spans across geographies and as of March 31, 2026, we served customers in 23 countries. The table below sets forth details of our exports and revenues from contract with customers outside India for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Number of countries to which we supplied products and services during the Fiscal	23	22	26
Revenue from Contract with Customers outside India (₹ million)	4,915.27	4,461.02	4,394.01
Revenue from Contract with Customers outside India as a percentage of Total Revenue from Contract with Customers (%)	41.36%	40.94%	41.28%

Warranty Arrangements

We are engaged in the manufacturing and supply of wide range of electrified as well as non-electrified powertrains and alloys and metallics components. These products are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. Our agreements with customers or their purchase orders, have standard liability clauses in relation to quality and delivery of our products and services, 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.

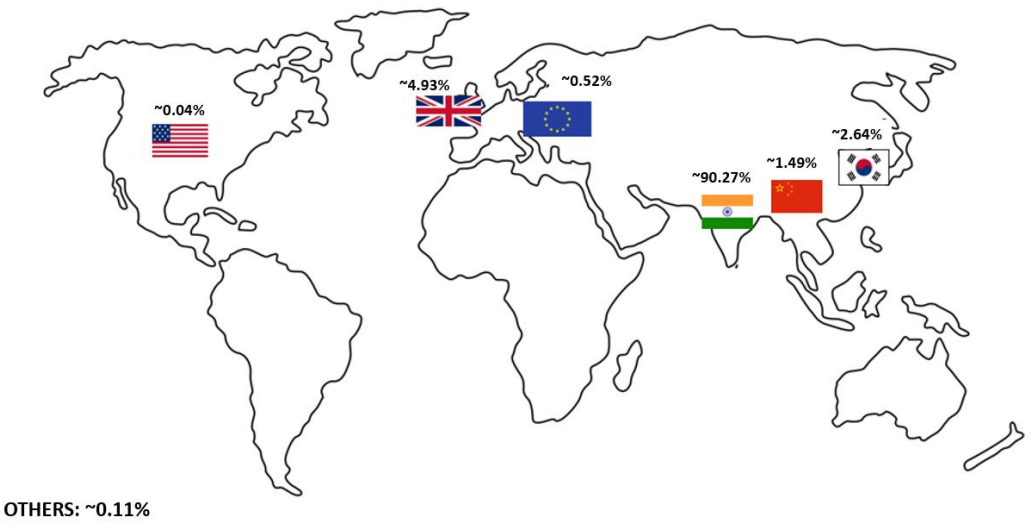
For further information, see, "*Risk Factors - We are subject to strict performance requirements, including, but not limited to, quality and delivery, by our customers, and any failure by us to comply with these performance requirements may lead to recalls or warranty liability claims, reduction of share of business or the cancellation of existing or future orders, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 23.

Suppliers

We established a supplier network encompassing various technologies, including forging, aluminum and magnesium die casting, and metal injection molding, among others. We do not enter into definite-term agreements with all our suppliers who typically supply us through purchase orders. Our relationships with certain suppliers have enabled us to enhance their capabilities by advancing loans upon request to enhance their quality standards to align with global standards. We believe this strategic approach has empowered our suppliers to enhance their quality standards, streamline design processes, and bolster their proficiency in accommodating advanced technologies.

We adopt a procurement strategy that involves sourcing raw materials, commodities, and components from multiple automotive suppliers that meet our requirements based on customer forecasts. We follow a strategy of de-risking supply chain and at the same time, maintain long term relationships with key suppliers. Our suppliers are based across various geographies, and 9.73% of our supplies were from outside India in Fiscal 2026. We have developed a network of Indian suppliers for key components, all of whom have substantial automotive experience. We have developed this network with the aim of reducing our dependency on countries such as China and Taiwan, which in our experience, has given us additional control over our supply chain ecosystem.

Supplies from location outside India in Fiscal 2026



To ensure standards of quality, adherence to delivery schedules, and fulfilment of contractual obligations, we follow a thorough vendor evaluation, selection, and quality control process while choosing our suppliers. We assess various factors such as total landed price, quality, delivery performance, technological capabilities, capacities, tool rooms, investment capabilities, location, and credentials to see the potential of the suppliers. Before finalizing partnerships, we conduct supplier audits, inspections and assessments based on these parameters.

To maintain consistent quality and prevent any disruptions in the supply chain, we actively support our suppliers by providing training and guidance for improving their manufacturing processes. Through this collaborative approach, we build strong and reliable relationships with our suppliers, while upholding our commitment to continuous improvement.

The table below sets forth our cost of raw materials sourced from our top supplier, top five suppliers and top 10 suppliers for the relevant Fiscals:

Supplier	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)	Cost of Raw Materials (₹ million)	Percentage of Total Expenses (%)
Top Supplier	365.80	3.17%	324.44	3.03%	296.10	2.80%
Top 5 Suppliers*	1,410.63	12.23%	1,403.56	13.09%	1,393.24	13.15%
Top 10 Suppliers*	2,405.32	20.85%	2,339.32	21.82%	2,278.95	21.52%

* *Suppliers may vary for each Fiscal*

For further information, see "*Risk Factors – We depend on a certain limited set of suppliers for the supply of critical raw materials. Further, we do not have definitive supply agreements with all our suppliers for the supply of raw materials. Interruptions in the supply of raw materials could adversely affect our business, financial condition, results of operations and cash flows."* on page 23.

Raw Materials and Components

We use a variety of raw materials for the production of our components and systems. For gear sets, assemblies and gearboxes, key raw materials are gear blanks. For manufacturing of CVT hubs, several components are being sourced as raw materials which includes planets, die cast hub housing, controllers, free wheels and plastic molded components. For manufacturing traction motors, a number of components are sourced as raw materials which includes die cast hub housing, magnets, planet gears and rings. For e-drive systems, raw materials include key electronic components such as batteries, controllers, sensors, displays, chargers, motors and throttles. The principal raw materials for alloys and metallics components are metal sheets.

We source these raw materials and components primarily from suppliers within India as well as from North America, Europe, South Korea, China, and Taiwan. We have implemented a procurement strategy that involves sourcing raw materials, commodities, and components from multiple qualified suppliers in quantities that meet our requirements.

We localize components to mainly derive cost advantage, control over supply chain, shorter lead times and better working capital management. While our endeavour is to maximize localization, we may choose to continue the imports in specific components to mitigate risk. For certain critical components like planets, traction rings, we continue to rely on imports as part of our risk mitigation strategy.

The table below sets forth our cost of materials consumed for Fiscal 2026, 2025 and 2024:

Fiscal 2026			Fiscal 2025			Fiscal 2024		
Cost of materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Cost of materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Cost of materials consumed (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)
6,535.02	54.99%	56.64%	6,304.43	57.86%	58.80%	6,404.49	60.17%	60.47%

The table below sets forth our cost of raw materials sourced domestically and outside India for Fiscal 2026, 2025 and 2024:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)
India	6,322.82	93.92%	5,870.45	94.59%	5,859.37	95.08%
Outside India	409.61	6.08%	335.73	5.41%	303.17	4.92%
Total Purchases	**6,732.43**	**100.00%**	**6,206.18**	**100.00%**	**6,162.54**	**100.00%**

Inventory Management

Our finished products are primarily stored on-site at our manufacturing facilities. The raw materials are also stored at our on-site warehouses. We typically keep up to 1.5 to 2 months of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends and expected orders. We maintain a lead-time material requirement planning system and utilize our enterprise resource planning system to manage our levels of inventory on a real-time basis. For further information, see "*Risk Factors – Our*

inability to accurately forecast demand for products that we manufacture and supply to our customers and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows." on page 47.

Energy and Water

Our manufacturing processes require an uninterrupted and constant voltage power to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We make arrangements for power purchase from local utilities, independent renewable power producers as well as captive power generation through rooftop solar and generator sets in all our manufacturing facilities. We have installed solar panels at certain of our manufacturing facilities to utilise renewable energy sources to reduce the greenhouse gas emission.

Our manufacturing processes require a certain amount of water, although they are not considered water-intensive. To meet this requirement, we primarily rely on outside resources or local utility companies. However, some of our manufacturing facilities, we use our own bore wells to meet our water needs. For further information, see "*Risk Factors – Any disruption to power or fuel sources could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.*" on page 39.

Transportation

Our products are primarily shipped to our OEM customers. The choice of transportation mode for each shipment depends on several factors, including the urgency, size, and value of the order. For our domestic operations, we rely on third-party transportation modes, such as road and rail. For outbound overseas shipments, we use a range of third-party transportation modes, including road, air, and sea. We engage third-party logistics service providers to facilitate our transportation needs. For further information, see "*Risk Factors – We are dependent on third parties for the transportation and timely delivery of our products to customers. Any failure by or loss of a third party transport service provider could result in delays and increased costs, which may adversely affect our business.*" on page 43.

IT and Management Tools

For bringing synergies between our facilities engaged in forward as well as supply chain, we have invested in enterprise resource planning, implemented across our operations and our facilities in India, United Kingdom and Thailand. We have also implemented business intelligence tools in order to enable key metrics and performance dashboards. In addition, the critical IT Infrastructure is hosted at a data centre with 24x7 monitoring and service support. We have three-tier secure access and network connectivity across locations, as well as business continuity plans, and a facility and asset management system, all of which facilitates integration intra-group as well as with customer systems. Our IT systems are managed by an in-house IT team. We believe that the resulting automation and transparency has strengthened the scalability of our operations worldwide.

We explore and adopt efficiency enhancement and automation tools. We undertake and foster data analytics and data-based decision making. We have also digitalized our key processes such as quality management and order book management which helps in groupwide information dashboards and effective management and decision making.

Our IT infrastructure encompasses a range of technologies and solutions aimed at ensuring the security, efficiency, and reliability of our operations. Our information technology policy includes antivirus management policy, backup and restoration management policy, acceptable usage policy that outlines the rules for use and sharing of information and policy on system access control that defines the controls that needs to be implemented and maintained to protect information against unauthorized access. There have been no data leakage in the last three Fiscals and we have obtained a cyber liability insurance policy.

Environment, Health, Quality and Safety

Environment, Social and Governance

We have established a dedicated Corporate Social Responsibility division to oversee Environmental, Social and Governance ("**ESG**") areas within our operations and outlines the strategy for sustainability along with short-term, mid-term and long-term roadmap that will deliver our sustainability mission and values. We have implemented a sustainability group level strategy incorporating policies and procedures that extend to our employees and suppliers and service providers working on our premises

We strive to improve the environmental performance of our manufacturing operations, products, and the supply chain. We have undertaken various environmental and corporate governance initiatives, which encompass endeavors related to energy preservation and the shift towards sustainable and renewable energy sources, alongside clean fuels.

We are dedicated to adhering to relevant environmental and occupational health and safety regulations. We have Environmental, Health & Safety ("**EHS**") policy in place, which is geared towards continuous enhancement of product quality, safety protocols, and EHS best practices. We are committed to abiding by all applicable compliance requirements, legal mandates, and other obligations. We actively promote the reduction, reuse, and recycling of waste and potentially hazardous materials, while committing to prevent pollution. Moreover, the enforcement of our EHS and project management practices, as well as standards, undergoes regular scrutiny through internal audits.

We also ensure that labor and human rights are respected and have social and governance policies in place that encompass ethics, labor standards, anti-corruption, community relations and corporate governance principles. We have focused on employees training and awareness, and the implementation of new policies encompassing dignity at work, equality, diversity and inclusion, whistle blowing, anonymous reporting mechanism, anti-bribery and anti-corruption. We have also been certified as a The Great Place to Work in the mid-size organization category in the last three consecutive years thereby reflecting our efficient and collaborative workplace culture.

Our facility located in the United Kingdom has undergone B Corporation Impact Assessment for the Fiscal 2024 and voluntarily aims to adhere to UN Global Compact structures, the global certification for social and environmental performance and the initiative for corporate sustainability and responsibility, respectively, to evaluate its business impact and risks. Our goals, targets and actions are set around these ESG frameworks. In addition, our Company has undertaken a Life Cycle Analysis to estimate our product impact and has also created a Corporate Sustainability Commitment and sustainability group level strategy that capture our sustainability vision, strategy and roadmap. One key element is the implementation and day to day monitoring of key performance indicators to ensure best management and long-term maintenance of ESG actions benefits.

We are also focused on sustainable procurement and have initiated a screening of our entire supply chain.

Examples of our ESG initiatives include:

Energy conservation:

Our manufacturing processes require uninterrupted and constant power to ensure production efficiency, expected product quality and on-time delivery but also to increase productivity and the lifetime of our machines and equipment. We source power from local utilities, independent renewable power producers as well as captive power generation through rooftop solar and/or generator sets in all our manufacturing facilities. We utilize clean fuel sources such as piped natural gas in place of diesel. We also conduct energy monitoring and analysis to drive energy reduction initiatives.

Water conservation:

We are committed to water conservation and have implemented various measures which includes rainwater harvesting, treating and reusing domestic wastewater, and recycling wastewater. Further, we have installed water level controllers to prevent overflow and minimize wastage, as well as water flow meters at distribution points and withdrawal points for daily monitoring to balance water withdrawal and consumption.

Other Initiatives:

- Arranging workshops aimed at bolstering competencies of plant leaders and their teams concerning environmental compliance management;

- Establishing and enhancing effluent and sewage treatment facilities within our manufacturing facilities for treatment and recycling of processed wastewater;

Quality Control

In the components manufacturing industry, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. To ensure compliance with quality standards and customer requirements, we have implemented a quality management and control system. This includes a comprehensive set of manual, policies, standard operating procedures, work instructions and forms that drive our commitment to on time, right first time, on budget and safe delivery as per our supply agreements.

We are committed to upholding satisfactory safety and quality systems, specifications, and standards as stipulated by our major clients through our supply agreements. This includes ensuring punctual delivery and accommodating inspections of our products and facilities as necessitated by our customers.

Awards

Details of key awards received are set out below:

Year	Name of the award
2013 - 2014	Received the 'Kirtvir Award (First Prize)' from the Directorate of Factories, Punjab
2014 - 2015	Received the 'Kirt Shiromani Award (Third Prize)' from the Directorate of Factories, Punjab
2015 - 2016	Received the 'Kirtvir Award (Third Prize)' from the Directorate of Factories, Punjab
	Received the 'Quality Performance Award' from Gabriel India Limited
2016 - 2017	Received the 'Best Supplier for Quality Performance Award' from Gabriel India Limited
2017 - 2018	Received the 'Environment Excellence Award' from the Punjab Pollution Control Board
2018 - 2019	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
	Recognized as 'first' for tree plantation, water conservation and energy saving by the Chamber of Industrial and Commercial Undertakings
2020-2021	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited

Year	Name of the award
2021-2022	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
2022-2023	Received the 'Appreciation Award for Achieving >90% EHS compliance' from Gabriel India Limited
	Received a letter of appreciation from the Harley-Davidson Motor Company for the Company's contribution towards development and supply of components for 'LaMotta – Pan America 1250 and SportsterS Motorcycles'
2023-2024	Received the 'Quality Award' from Ducati Motor Holding, Italy
2023-2024	Appreciation Award from Government of India – Ministry of Finance
2024-25	Received the 'Best Supplier for After Market Award' from Gabriel India Limited
2024-25	Received the 'Appreciation Award for Achieving >90% EHS compliance' from Gabriel India Limited
2024-25	Received "Proud-taxpayer (Appreciation Requirements) Award from office of Assistant Commissioner , State-Tax Ludhiana
2025-2026	Received the 'First Prize' under the State Export Award, Uttar Pradesh 2023-24, for outstanding export performance in the 'Other Products' category, from the Micro, Small and Medium Enterprises and Export Promotion Department, Government of Uttar Pradesh

Certifications

Our manufacturing facilities have the following certifications:

S. No.	Standard	Business Coverage	Any Exclusion on Certificate	Certification Date	Location of Facility	Facility Owned By
1.	ISO 9001:2015	Manufacture and Assembly of Sheet Metal, Welded and Surface treated Components	No	January 04, 2025	Mangli, Ludhiana, Punjab	Company
2.	IATF 16949:2016	Manufacture and Assembly of Sheet Metal, Welded and Surface treated Components	Yes- Product Design	January 04, 2025		Company
3.	ISO 14001:2015	Manufacture and Assembly of Sheet Metal, Welded And Surface Treated components.	No	September 02, 2025		Company
4.	ISO 45001:2018	Manufacture and Assembly of Sheet Metal, Welded And Surface Treated components.	No	September 02, 2025		Company
5.	IATF 16949:2016 (Quality Management System)	Manufacture of sheet metals, machined, welded and painted components, gears and transmission assemblies and CVT assemblies	Yes - Product Design	May 20, 2024	Gautam Budha Nagar, Uttar Pradesh facility	Company
6.	ISO 9001:2015 (Quality Management System)	The Development and manufacture of machined parts and assemblies	No	April 19, 2024		Company
7.	ISO 14001:2015 (Environmental Management System)	The manufacture of sheet metals, aluminium, pressed, machined, welded and painted components, gears and transmission assemblies, CVT assemblies and stainless steel handles	No	September 15, 2024		Company
8.	ISO 45001:2018 (Occupational Health and Safety Management System)	The manufacture of sheet metals, aluminium, pressed, machined, welded and painted components, gears and transmission assemblies, CVT assemblies and stainless steel handles	No	December 9, 2023		Company
9.	ISO 50001:2018 (Energy Management System)	The manufacture of sheet metals, aluminium, pressed, machined, welded and painted components, gears and transmission assemblies, CVT assemblies and stainless steel handle	No	June 6, 2024		Company
10.	ISO-27001:2022 (Information Technology)	Design, development, assembly and manufacturing, and supply of assemblies and components for automotive and non-automotive applications, along with associated supporting functions including engineering, maintenance and stores, program management, research and development, information technology, human resources, administration, safety, legal, finance, and procurement	No	February 17, 2026	Ghaziabad, Ludhiana Facilities, Thailand Facility	Company
11.	TISAX (Level-2)	The Scope comprises all processes and involved resources at the sites defined below that are subject to security requirements from partners in the automotive industry. Involved	No	January 02, 2026	Ghaziabad & Thailand	Ghaziabad: Company Thailand: Hero

S. No.	Standard	Business Coverage	Any Exclusion on Certificate	Certification Date	Location of Facility	Facility Owned By
		processes and resources include collection of information, storage of information and processing of information.				Motors Thai Limited
12.	ISO 9001:2015	Design, Development and Manufacturing of Electric Vehicle Motors	No	January 18, 2025	HYM Facility Ludhiana, Punjab Plot No A-01, Hi-Tech Cycle Valley, Village Dhanansu, Ludhiana 141112, Punjab	HYM Drive Systems Private Limited
13.	ISO 14001:2015	Design, Development and Manufacturing of Electric Vehicle Motors	No	January 18, 2025	HYM Facility Ludhiana, Punjab Plot No A-01, Hi-Tech Cycle Valley, Village Dhanansu, Ludhiana 141112, Punjab	HYM Drive Systems Private Limited
14.	ISO 45001:2018	Design, Development and Manufacturing of Electric Vehicle Motors	No	January 18, 2025	HYM Facility Ludhiana, Punjab Plot No A-01, Hi-Tech Cycle Valley, Village Dhanansu, Ludhiana 141112, Punjab	HYM Drive Systems Private Limited

Intellectual Property

We consider our brand and intellectual property to be a valuable asset and we have certain trademarks and patent registered in India and globally. In addition, we share the trademark and name 'Hero' with other entities within the Munjal family group, pursuant to a trademark and name agreement dated May 20, 2010. Under the agreement, our Promoter, Pankaj Munjal's family has the right to use the trademark and name 'Hero' in relation to the business undertaken by our Company only as long as minimum 26% of our shareholding is owned by Pankaj Munjal's family. We have also applied for registration over the trademark logo "HERO MOTORS" (device mark) and wordmark "Hero Motors" in Classes 12, 35, 40 and 42 under the provisions of the Trademarks Act, 1999, as amended, these applications have been objected.

We have obtained/applied for the following trademark registrations of logo of our Subsidiaries:

Name of the Subsidiary	Logo	Class	Application No.	Status	Applicability
HYM Drive Systems Private Limited	HYM	12	5674994	Application is refused by the Department.	India
		35	5674995	Application filed under class 35 is registered.	India
	Patent Technology Hall Sensorless Hub Motor with temperature	-	202311039 683	Patent Application filed in India. The application is publicated in India on December 20, 2024	India
	HYM DRIVE	9	7446828	Formality Check Pass	India
		12	7446841	Formality Check Pass	India
		35	7446871	Formality Check Pass	India
		42	7446943	Formality Check Pass	India
Hero EDU Systems Private Limited*		9	5972648	Refused	India
			5972649	Registered	
			5972650	Registered	

Name of the Subsidiary	Logo	Class	Application No.	Status	Applicability
		12	5970409	Registered	India
			5970410	Registered	
			5972651	Registered	
		35	5970411	Registered	India
			5970412	Registered	India
			5970413	Registered	India
		42	5970420	Registered	India
			5970421	Registered	India
			5970422	Registered	India
Spur Technologies Private Limited		12	5385924 (Label)	Registered	India
		12	5385925 (Word)	Registered	India
		35	5385926 (Label	Registered	India
		35	5385927 (Word)	Registered	India
		12	2883341 (Logo)	The application is opposed.	India
		12	2659594 (Word)	The application is opposed.	India
		6	7446899	Formality Check Pass	India
		7	7447302	Formality Check Pass	India
		12	7446922	Formality Check Pass	India
		35	7446927	Formality Check Pass	India
Munjal STP Industries Private Limited		6	7560640	Formality Check Pass	India
		7	7558849	Formality Check Pass	India
		7	7558904 (word mark)	Formality Check Pass	India
		12	7560785	Formality Check Pass	India
		35	7558860	Formality Check Pass	India
		40	7558879	Formality Check Pass	India

**Our Subsidiary, Hero EDU has additionally applied for trademark registration for its logos in the European Union and United States of America, and has received trademark registration for six of its applications under classes 35 and 42 stated above.*

Set forth below are the details of the intellectual property registrations obtained by Hewland Engineering Limited:

Authority	Registration Date	Renewal Date	Trade Mark Number	Trade Mark	Class
EU OHIM	August 12, 2014	March 28, 2034	012739637	FG 400	12, 40, 42
EU OHIM	August 12, 2014	March 28, 2034	012739421	FT 200	12, 40, 42
UKIPO	August 15, 2014	March 28, 2034	UK00912739348	HEWLAND	12, 40, 42

We believe our intellectual property has significant value and is materially important to our business. We are proactive about protection of our intellectual property by taking appropriate action where any other entity uses or attempts to use any mark similar to trademarks owned by our Company or our Subsidiaries or makes attempts to secure registration of marks similar to trademarks owned by our Company or Subsidiaries.

For further information, see "*Government and Other Approvals – Intellectual Property*" and "*Risk Factors – We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.*" on pages 489 and 37 respectively.

Insurance

Our business and manufacturing operations are subjected to various risks inherent in the automotive and non-automotive industries such as risk of equipment failure, work accidents, fire, theft, earthquake, flood, product recall and expense liability, acts of terrorism, other force majeure events and other hazards that may cause personal injury, loss of life, damage to property

and equipment and environmental damage. We maintain insurance policies in respect of our business, assets or stocks, machinery, building and equipment, product liability coverage and workmen compensation.

We maintain insurance policies with independent insurers that include an industrial all-risk policy, fire policy for building, equipment and stock, burglary policy for equipment and stock, money policy, fidelity guarantee insurance policy, marine export import insurance open policy, marine open inland declaration policy, comprehensive general liability and directors and officers liability insurance policy.

Apart from these, we also maintain employee benefit policies like group personal accident and group health (floater) insurance policies for employees and their families.

We believe that our insurance coverage is in accordance with industry norms, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For further information on risks related to our insurance policies, see "*Risk Factors – Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our financial condition, cash flows and results in operations.*" on page 47.

Corporate Social Responsibility

We aim to be and act as a responsible 'corporate citizen'. We work towards building positive relationships with communities that we work in.

We have constituted a Corporate and Social Responsibility ("**CSR**") Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. Our CSR policy has been prepared pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. For further information regarding the composition of our CSR Committee and its responsibilities, see "*Our Management - Corporate Social Responsibility Committee*" on page 290.

Our recent CSR initiatives have focused on the promotion of education, including special education and enhancement of waste management systems We have been involved in skill development which includes expenditure on basic training and stipend payable to the apprentices by our Company under the Apprentices Act, 1961.

Competition

We are one of India's leading automotive technology companies designing, manufacturing and supplying highly engineered powertrain solutions catering to automotive OEMs in US, Europe, India and ASEAN regions. (*Source: CRISIL Report*) We are amongst the few companies in India that operates an international product development and design center. Our expertise in precision gear components and the full transmission system experience, powertrain neutral A&M products, has developed us as one of the few players in India to benefit with the accelerated electrification trends. (*Source: CRISIL Report*). We are the only player manufacturing and exporting CVT hubs to global e-bike OEMs from India and are the only manufacturer of integrated electric powertrain products for e-bikes in India. We are among the first companies in India to capitalise on the global e-bike powertrain opportunity and have a distinct first-mover advantage in this industry. (*Source: CRISIL Report*)

We face competition from global solution providers, manufacturers and Indian manufacturers in A&M business. The table below sets forth key players in our respective product segments as per the CRISIL Report:

Products	Competitors
Gears & Transmissions	ZF Friedrichshafen AG, Musashi Co. Ltd., BorgWarner Inc. and GKN PLC
Hub motors	Bafang, Mahle
Transmissions for Bikes and E-bikes	Shimano Inc, Rohloff
Alloys & Metallics	Badve Group, Sandhar Technologies, Magnum

We face competition from larger organisations who possess greater financial resources, patents, underutilized capacity, lower labour costs, lower tax rates, and export or raw materials subsidies. Despite this, we believe that our expertise in design and engineering, diverse product portfolio, flexibility to meet customers' varying needs, and long-standing customer relationships give us a competitive edge.

For further information on risks related to competition, see "*Risk Factors – We may not be able to compete effectively in the global powertrain solutions industry which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 25.

Human Resources

As of March 31, 2026, 2025 and 2024, we had 1,388, 1,532 and 1,484 permanent employees. The following table provides information about our permanent employees, as of March 31, 2026:

Particulars	As of March 31, 2026
Manufacturing Operations (Includes Production, Quality, R&D, Engineering and Maintenance)	1,186
Support Function (Includes Finance, IT, HR and Admin, HSE and Store)	202

Particulars	As of March 31, 2026
Total	1,388

Our Company also appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As of March 31, 2026, we engaged 707 contract labourers.

The following table sets forth our attrition rate for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Attrition Rate[*]	22.24%	20.56%	14.42%

[*] *Attrition rate is calculated as overall exits including retired employees divided by average number of employees in the relevant Fiscal.*

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We schedule learning and development programs for our employees. We have also recruited engineering trainees through campus and direct recruitment. We train our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety. We also focus on employee engagement. In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, employees state insurance, pension, retirement and gratuity benefits, workman's compensation, maternity and other benefits, as applicable) and are covered by employee benefit policies like group personal accident and group health (floater) insurance policies for employees and their families.

The table below sets forth our employee benefits expense (excluding share based payment expense) as a percentage of revenue from operations and as a percentage of total expenses for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026			Fiscal 2025			Fiscal 2024		
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Percentage of Total Expenses (%)
Employee benefits expense (A)	1,645.08	13.84%	14.26%	1,711.38	15.71%	15.96%	1,773.67	16.66%	16.75%
Share based payment expenses (B)	105.03	0.88%	0.91%	148.17	1.36%	1.38%	394.62	3.71%	3.73%
Employee benefits expenses (excluding share based payment expense) (C=A-B)	**1,540.05**	**12.96%**	**13.35%**	**1,563.21**	**14.35%**	**14.58%**	**1,379.05**	**12.95%**	**13.02%**

Note: The share-based payment mentioned above are non-cash in nature.

For further information, see "*Risk Factors – We depend on our senior management and other personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.*" on page 31.

Property

Our Registered Office is situated at Hero Nagar, GT Road, Ludhiana – 141 003, Punjab, which is leased by our Company from one of our Promoter Group and Group Company, Hero Cycles Limited valid for a period of 11 months commencing from July 01, 2026 until May 31, 2027. Our Corporate Office is situated at 7th Floor, Max Square, situated at Plot No C3-C, Jaypee Wishtown, Noida-Greater Noida Expressway, Sector 129, Gautam Buddha Nagar 201304, Uttar Pradesh on premise that is leased by our Company from a third party for a period of nine years with effect from February 1, 2024 until January 31, 2033.

The following table sets forth the details of our manufacturing facilities, as of the date of this Red Herring Prospectus:

Manufacturing Facility	Address	Owned / Leased	Area (Square Meters)	Duration of Lease Term
India				
GB Nagar Facility -Gautam Buddha Nagar, Uttar Pradesh	10th K.M. Stone, G.T. Road, P.O. Dujana-203207, Tehsil Dadri, District Gautam Buddha Nagar, Uttar Pradesh	Partly owned and partly leased	127,398.00	July 22, 2021 until July 21, 2051
Hero EDU Facility -Gautam Buddha Nagar, Uttar Pradesh[**]	10th K.M. Stone, G.T. Road, P.O. Dujana-203207, Tehsil Dadri, District Gautam Buddha Nagar, Uttar Pradesh	Leased	1,173.59	February 1, 2025 until January 1, 2035
Mangli Facility - Ludhiana, Punjab[***]	Phase-8, Focal Point, Chandigarh Road, Ludhiana-141010, Punjab	Owned	29,339.71	-
HYM Facility -Ludhiana, Punjab	Plot No A-01, Hi-Tech Cycle Valley, Village - Dhanansu, Ludhiana - 141112, Punjab	Leased	8,093.71	June 15, 2022 until June 15, 2055

Manufacturing Facility	Address	Owned / Leased	Area (Square Meters)	Duration of Lease Term
SPUR Facility - Ludhiana, Punjab	Plot No A-01, Hi-Tech Cycle Valley, Village - Dhanansu, Ludhiana - 141112, Punjab	Leased	12,140.60	February 7, 2022 until February 6, 2055
Hero Motors Limited (warehouse)	Warehouse at Village Bhaganki Near Power Grid Tauru Road Pachgaon Gurugram-122015 (Haryana)	Leased	789.68	February 1, 2026 - December 31, 2026
Hero Motors Limited (warehouse)	Plot no. 104/1 Village Halol-2 Maswad Indl. Estate Halol Dist. Gujarat-389350	Leased	176.52	February 1, 2026 – December 31, 2026
Hero Motors Limited (warehouse)	Khasra No. 764 Salempur Mehdood Roshnabad Behind Kavin Care Sector-4 Sidcul Roshnabad Haridwar-249403	Leased	222.97	February 1, 2026 – December 31, 2026
International				
Thai Facility - Samut Prakan, Thailand	88/16 Moo. 4, Asia Industrial Estate (Suvarnabhumi), Tambol Klongsuan, Amphur Bang Bo, Samutprakarn Province	Leased	3,500.00	June 16, 2026 until June 15, 2029
Maidenhead, United Kingdom	Waltham Road, White Waltham, Maidenhead SL6 3LR	Leased	4,454.00	September 25, 2025 until September 24, 2040

*** This forms a part of GB Nagar facility.*

****Certain portion of the Mangli is yet to be sold by HCL to our Company and a sum of ₹ 22.82 million is yet to be paid. An agreement to sell dated October 11, 2023 has been executed between HCL and our Company in this regard.*

In addition to the above, our Company is in the process of setting up a new manufacturing facility at (i) Plot No.188, Jakkasandra Industrial Area, Sy No. 96 & 99/1, Jakkasandra Village, Kasaba Hobli, Malur Taluk, Kolar District – 563130, Bengaluru, Karnataka for the purpose of which our Company has entered into a lease agreement which is valid for a period of five years commencing from July 17, 2026 and (ii) Block B, Plot No. A-01 (B)-01, Khasra no.27//17, 18, 23, 24, 37//4 (Village Bonkar), Khasra No. 4//23, 24, 13//3, 4 (Village Dhanasu) at Industrial Park, District Ludhiana, Punjab for the purpose of which our Subsidiary, MSIPL, has entered into a lease agreement which is valid for a period of thirty three years from October 29, 2025.

The following table sets forth the details of our technology centers, as of the date of this Red Herring Prospectus:

Technology Centres	Address	Owned / Leased	Area (Square Meters)
Gautam Buddha Nagar, Uttar Pradesh, India	Max Square, Plot No C3-C, Jaypee Wishtown, Noida-Greater Noida Expressway, Sector 129, Gautam Buddha Nagar 201 304, Uttar Pradesh	Leased	1,294.04
Southam, United Kingdom	Unit 1 Kineton Road Industrial Estate, Kineton Road, Southam, CV47 0DR	Leased	584.82

For further information, see "*Risk Factors – Certain of our properties, including our Registered Office and Corporate Office, are located on leased premises. Further, lease deed for a portion of land which has been leased for our GB Nagar Facility is currently pending for execution. We cannot assure you that we will be able to execute the lease deed in a timely manner.*" on page 44.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws, regulations, rules, notifications, circulars, and policies in India, which are applicable to our Company. The information detailed in this chapter is based on the current provisions of applicable statutes, rules, regulations, notifications, memoranda, circulars, and policies, as amended, and are subject to changes or modifications or future amendments by subsequent legislative, regulatory, administrative or judicial decisions. The information detailed in this section has been obtained from publications available in the public domain. The descriptions of the regulations disclosed below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For information regarding regulatory approvals required by our Company, see "*Government and Other Approvals*" on page 486.

I. LAWS IN RELATION TO OUR BUSINESS:

Industries (Development and Regulation) Act, 1951, as amended ("IDR Act")

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Industries and Commerce through the Department for Promotion of Industry and Internal Trade ("DPIIT"). The main objectives of the IDR Act are to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DPIIT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

The Battery Waste Management Rules, 2022 ("Battery Rules")

The Battery Rules are framed under the Environmental Protection Act, 1986 ("EPA") and apply to every manufacturer, dealer, importer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Battery Rules prescribe the functions of a producer, consumer, refurbisher, recycler and dealers of the batteries as well as lay down the action on violations and imposition of environmental compensation. The Battery Rules cover all types of batteries, viz. electric vehicle batteries, portable batteries, automotive batteries and industrial batteries. The Battery Rules function based on the concept of 'extended producer responsibility' ("EPR"), where the producers (including importers) of batteries are responsible for collection and recycling or refurbishment of waste batteries and use of recovered materials from wastes into new batteries. To meet the EPR obligations, producers may engage themselves or authorise any other entity for collection, recycling or refurbishment of waste batteries. Every person or an entity involved in manufacturing of batteries shall register with the Central Pollution Control Board ("CPCB") in accordance with the procedure provided in the Battery Rules. In addition, the producer is also required to file annual returns regarding the waste battery collected and recycled or refurbished towards fulfilling its responsibilities with the Central Pollution Control Board and concerned State Pollution Control Board in Form 3 by June 30 of the next financial year. Additionally, the Battery Rules requires every producer to adhere to prohibitions and labelling requirements as prescribed.

The E-waste Management Rules, 2022 (the "E-waste Rules") and the amendments thereto

E-waste means electrical and electronic equipment, whole or in part discarded as waste by the consumer or bulk consumer as well as rejects from manufacturing, refurbishment and repair processes. The E-waste Rules provide for different responsibilities of the manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment listed in Schedule I of the E-waste Rules. The State Government is also responsible for earmarking or allocation of industrial space or shed for e-waste dismantling and recycling in the existing and upcoming industrial park, estate and industrial clusters.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act, as amended, provides for the standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the bureau which include, among others (a) recognize as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark; and (c) make such inspection and take such samples of any material or substance as may be necessary.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered as prescribed. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holiday, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employee. Our locations/units have to be registered under the shops and establishments legislations of the state where they are located**.**

Sale of Goods Act, 1930 ("Sale of Goods Act")

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for the sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of gods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

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 claiming drawback on goods exported by cost and other than post from the customs authorities. Under duty drawback scheme, an exporter can opt for either All Industry Rate ("'AIR'") of duty drawback scheme or brand rate of duty drawback scheme. The AIR 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 of the export goods.

Export Promotion Capital Goods Scheme, 2020 ("EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of nonfulfillment of prescribed export obligations.

Legal Metrology Act, 2009 ("LM Act")

The LM 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 matters connected therewith or incidental thereto. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures, sells, or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction, are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify, on payment of prescribed fees. The LM Act lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, inter alia, warning with an improvement notice and from second offence onwards a monetary penalty on the manufacturer as provided under the Jan Vishwas (Amendment Provisions) Act, 2026.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA read with the applicable provisions of the Indian Foreign Trade Policy 2023 seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("IEC") granted by the Director-General of Foreign Trade ("DGFT"), Ministry of Commerce and Industry or the officer authorised by the Director General in this behalf. The IEC can be suspended or cancelled for contravening any of the provisions of FTA or any rules or order made thereunder or if the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India.

Competition Act, 2002 ("Competition Act")

The Competition Act is an act for the establishment of a commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India is to eliminate practices having adverse effect on competition, promote and sustain competition,

protect interests of consumers, and ensure freedom of trade. The CCI shall issue a notice to show cause to the parties to combination calling upon them to respond within 15 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the CCI and Director General (as appointed under Section 16(1) of the Competition Act), such person shall be punishable with a fine which may exceed to ₹100,000 for each day during such failure subject to maximum of ₹10,000,000, as the CCI may determine.

The Competition (Amendment) Act, 2023 ("Amendment Act") introduces significant changes to the Competition Act in India. It introduces a deal value threshold of ₹ 2,000 crores for reporting merger and acquisition transactions to the CCI. The time limit for CCI's assessment of mergers and acquisitions is reduced from 210 days to 150 days. The scope of anti-competitive agreements is broadened by replacing the "exclusive supply agreement" with "exclusive dealing agreement" and now covers the acquiring or the selling side of such agreements. The definition of cartel is expanded to include hubs and spoke arrangements involving trade associates, consultants, or intermediaries. Additionally, the Amendment Act provides the CCI the power to appoint a Director General with the prior approval of the Central Government for more effective enforcement.

The Public Liability Insurance Act, 1991 (the "PLI Act")

The PLI Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurred while handling any hazardous substance and imposes liability on the owner of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner has to contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Motor Vehicles Act, 1988 ("MVA") and Central Motor Vehicles Rules, 1989 ("CMV Rules")

The MVA read with the CMV Rules is an umbrella legislation which regulates all aspects of road transport vehicles including licensing of drivers and conductors, registration of motor vehicles, control of motor vehicles through permits, licensing of driving schools, special provisions relating to state transport undertakings, traffic regulation and insurance. As per MVA and the CMV Rules, no person shall drive any motor vehicle in any public place or in any other place unless the vehicle isregistered with the registering authority and the vehicle carries a registration mark displayed in the manner as specified in the MVA and the CMV Rules. The MVA and the CMV Rules also state that no person shall establish or maintain any driving school or establishment for imparting instructions for hire or reward in driving motor vehicles without a license in Form 11 granted by the licensing authority.

Steel and Steel Products (Quality Control) Order, 2024, ("Steel Products Order")

In consultation with the Bureau of Indian Standard, the central Government notified the Steel Products Orderon February 5, 2024. The Steel Product Order, shall apply to steel and steel products specified in column (3) of Schedule 1 and goods or articles specified in column (2) of Schedule 2 of the Steel Products Order, except steel and steel products manufactured domestically for export which conform to any other specification required by a foreign buyer. Any person who contravenes any of the provisions of the Steel Products Orderr shall be punishable under section 29 of the Bureau of Indian Standards Act, 2016 (11 of 2016).

II. LAWS GOVERNING FOREIGN INVESTMENTS

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated Foreign Direct Investment Policy ("Consolidated FDI Policy") issued by the DPIIT from time to time. Under the current Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT including any modifications thereto or substitutions thereof, issued from time to time, 100% FDI through automatic route is permitted in the manufacturing sector. Under the FDI policy, FDI in companies engaged in manufacturing activities in India (including contract manufacturing in India) is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

III. ENVIRONMENTAL REGULATIONS

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The authorities are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries, and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure,

and investigation. All industries are required to obtain consent orders from the authorities, which are required to be periodically renewed.

Environment Protection Act, 1986 ("EPA") and Environment (Protection) Rules, 1986

The EPA is an umbrella legislation designed to provide a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. The potential scope of the EPA is broad, with 'environment' defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. The EPA empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any such person, officer, or authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process, and stoppage or regulation of the supply of electricity or water or any other services. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. The EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants as provided under the Environment (Protection) Rules, 1986, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") and Water (Prevention and Control of Pollution) Cess Act, 1977

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the central and state pollution control board. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the state pollution control board may cause the local magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines and/or imprisonment.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control, and abatement of air pollution. Further, under the provisions of the Air Act, the industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the central pollution control board. Under the Air Act, the state pollution control boards are empowered to declare air pollution control areas and consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, ("Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste to deploy safe and environmentally sound measures for handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable state pollution control board. The occupier, the importer, the transporter, and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

Fire Prevention and life safety measures

We are subject to the fire control and safety rules and regulations framed by the State Governments of Uttar Pradesh and Punjab under the Uttar Pradesh Fire Prevention and Fire Safety Rules, 2005 and the Punjab Fire Prevention and Fire Safety Act, 2004, respectively.

Plastic Waste Management Rules, 2016 ("Plastic Waste Management Rules")

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to, *inter alia*, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Under the Plastic Waste Management Rules, waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules also requires the

producers, importers, and brand owners to collect back the plastic waste generated due to their products. On August 12, 2021, the Government of India notified the Plastic Waste Management (Amendment) Rules, 2021, prohibiting the use of identified single use plastic items which have low utility and high littering potential. Under the Plastic Waste Management Rules, the state governments have also been requested to develop a comprehensive action plan for elimination of single use plastics and effective implementation of Plastic Waste Management Rules, in a time bound manner.

IV. KEY INTELLECTUAL PROPERTY LAWS

Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to the Controller-General of Patents, Designs and Trade Marks who is the Registrar of trademarks for the purposes of the Trademarks Act. The Trademarks Act prohibits registration of deceptively similar trademarks. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of the person's invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

V. LAWS RELATING TO TAXATION

The tax related laws that are applicable to our Company include the following

- Central Goods and Services Tax Act, and various state-wise legislations made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- Income Tax Act, 2025, the Income Tax Rules, 2026;
- Customs Act, 1962;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State- wise legislations in relation to professional tax
- Foreign Trade Policy 2023

VI. LABOUR LAW AND REGULATIONS

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes

a) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated November 21, 2025, the Central Government brought into force the provisions of this code. It subsumed three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Further, the Central Government through its notification dated May 8, 2026, enacted the Industrial Relations (Central) Rules, 2026.

b) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Central Government brought into force Sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(2)(s), 67(2)(t) (to the extent that they relate to the Central Advisory Board) and Section 69 (to the extent that it relates to Sections 7, 9 (to the extent that they relate to the Central Government) and Section 8 of the Minimum Wages Act, 1948) and of the Code on Wages, 2019. Through its notification dated November 21, 2025, the Central Government brought into force the remaining provisions of this code. It subsumed four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act,

1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Further, the Central Government through its notification dated May 8, 2026, enacted the Code on Wages (Central) Rules, 2026.

c) The Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President of India on September 28, 2020. Through its notification dated November 21, 2025, the Central Government brought into force the provisions of this code. It subsumes, inter alia, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Contract Labour (Regulation & Abolition) Act, 1970. Further, the Central Government through its notification dated May 8, 2026, enacted the Industrial Relations (Central) Rules, 2026.

d) The Code on Social Security, 2020, received the assent of the President of India on September 28, 2020. This code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The provisions of this code were partially bought into force by the Central Government *vide* notification dated May 3, 2023**.** The code subsumes, inter alia, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. Through its notification dated November 21, 2025, the Central Government brought into force the rest of the provisions of this code. Further, the Central Government through its notification dated May 8, 2026, enacted the Social Security (Central) Rules, 2026.

VII. OTHER REGULATIONS:

Consumer Protection Act, 2019 ("Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of the consumers against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums, and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ₹1,000,000. In cases of manufacturing for sale or storing, selling, or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between ₹100,000 to ₹1,000,000 depending upon the nature of injury to the consumer.

The Information Technology Act, 2000("IT Act, 2000") and the rules made thereunder

The IT Act, 2000 seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act, 2000 facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act, 2000 also prescribes civil and criminal liability. Including fines and imprisonment, for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto. The IT Act, 2000 empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public in accordance with Section 69A(1) of the IT Act, 2000, the reasons for which are required to be recorded by it in writing

Digital Personal Data Protection Act, 2023 ("DPDP Act")

The DPDP Act received presidential assent on August 11, 2023. The DPDP Act seeks to balance the rights of individuals to protect their personal data, with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual and a notice has to be given before seeking consent. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the "**DPB**") and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In the case of government entities, storage limitation and the right of the data principal to erasure will not apply. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

The DPDP Act has been brought into force in a phased manner pursuant to the notification issued by the Ministry of Electronics and Information Technology ("**MeitY**") on November 13, 2025. The MeitY vide notification dated November 13, 2025, has published the Digital Personal Data Protection Rules, 2025 ("**Rules**") in the Official Gazette. The Rules facilitate the implementation of the DPDP Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. The Rules lay down various implementation aspects such as the notice by the Data Fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, services by State, applicability of reasonable security safeguards, intimation of personal data breach, providing details about availing of the rights by the individuals, processing of personal data of child or of person with disability, setting up the Data Protection Board, appointment and service conditions of the chairperson and other members of the Data Protection Board, functioning of the Data Protection Board as digital office, and procedure to appeal to appellate tribunal, among others. The Rules will be effectuated in three phases between one year to eighteen months from the date of publication. Phase 1 took effect on November 14, 2025, covering the procedural provisions. Phase 2 is set to come into force on November 13, 2026, one year from the notification date, addressing consent managers. Phase 3 will follow on May 13, 2027, eighteen months from notification, bringing in the remaining substantive provisions.

VIII. APPLICABLE PLANS & POLICIES

The Automotive Mission Plan, 2016-2026

The Automotive Mission Plan, 2016-2026 ("Automotive Mission Plan") was released by the Department of Heavy Industry jointly with Indian Automobile Industries in September 2015, and it seeks to define the path of evolution of the automotive ecosystem in India including specific regulations and policies that govern research, design, technology, testing, manufacturing, imports/exports, sales, use, repair, and recycling of automotive vehicles, components and services. The Automotive Mission Plan aims to achieve various objectives including inter alia, to make the Indian automotive industry a top job creating industry and the prime mover of manufacturing sector as well as of the "Make in India" programme, and to promote safe, efficient and comfortable mobility, with an eye on environmental protection and affordability through both public and personal transport options. The Automotive Mission Plan recommends increasing the export of vehicles by five times and components by 7.5 times and also highlights the need for a coordinated and stable policy regime for the automotive sector. Under the Automotive Mission Plan, specific interventions are envisaged to sustain and improve manufacturing competitiveness and to address challenges of environment and safety. In July 2025, the Government initiated the formulation of the Automotive Mission 2047 which aims to set milestones for 2030, 2037 and 2047 focusing on innovation, sustainability and increasing India's share in the global automotive trade.

Bharat Stage (BS) VI Emission Standards ("BS-VI Standards")

The Indian Ministry of Road Transport and Highways issued a draft notification of Bharat Stage BS-VI emission standards for all major on-road vehicle categories in India in February 2016. The adoption of these standards seeks to bring the Indian motor vehicle regulations into alignment with European Union regulations for light-duty passenger cars and commercial vehicles, heavy-duty trucks and buses, and two-wheeled vehicles. Taking a leap from the Bharat Stage-V emission standards, these standards were enforced amid the lockdown on April 1, 2020. The BS-VI Standards set forth emission standards, type approval requirements, on-board diagnostic systems specifications, and durability levels for all major vehicle categories in India. Additionally, the BS-VI standards also have specifications for reference and commercial fuels.

***Production Linked Incentive Scheme for Automobile and Auto Component Industry* (*PLI- Auto Scheme*)**

The PLI – Auto Scheme was notified by the Ministry of Heavy Industries vide S.O. No. 3947 (E) dated September 23, 2021, The PLI-AUTO Scheme was notified to boost the manufacturing of Advanced Automotive Technology (AAT) Products. This scheme shall facilitate and promote deep localization for AAT products and enable creation of domestic as well as global supply chain. The Scheme is focused on Zero Emission Vehicles (ZEVs) i.e. Battery Electric Vehicle

and Hydrogen Fuel Cell Vehicle. The incentive under the scheme is applicable from FY 2022-23 to FY 2026-27 (5 years' period) and the disbursement is applicable in the subsequent financial year i.e. from FY 2023-24 to FY 2027-28.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated in the name of 'Hero Briggs & Stratton Auto Private Limited' as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1998 issued by the Registrar of Companies, Delhi and Haryana. Thereafter, our Company became a deemed public company and the name of our Company was changed to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998. Pursuant to the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956, our Company was again converted into a private limited company with effect from June 1, 2001 and the name of our Company was accordingly changed to 'Hero Briggs & Stratton Auto Private Limited'. Thereafter, pursuant to the termination of the joint venture agreement with Briggs & Stratton International Inc. (USA) in 2001, the name of our Company was changed to 'Hero Auto Private Limited' and a fresh certificate of incorporation dated April 10, 2003 was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to 'Hero Auto Limited' upon conversion to a public limited company on October 30, 2003 pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana. Further, pursuant to the fresh certificate of incorporation dated September 15, 2004 issued by the Registrar of Companies, Delhi and Haryana, the name of our Company was changed to 'Hero Motors Limited' to reflect the true nature of the Company's business, which is the name of our Company as on the date of this Red Herring Prospectus.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the address of registered office	Reason
December 22, 2006	Change in registered office from 601, International Trade Tower, Nehru Place, New Delhi - 110019 to 603, International Trade Tower, Nehru Place, New Delhi – 110019.	Administrative convenience
July 1, 2015	Change in registered office from 603, International Trade Tower, Nehru Place, New Delhi – 110019 to Hero Nagar, G.T. Road, Ludhiana, Punjab – 141003.*	To synergize business decisions and enhance management control

* *Pursuant to the change in our Registered Office, our Company is registered with the Registrar of Companies, Chandigarh, which is the RoC of our Company as on the date of this Red Herring Prospectus.*

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

(1) To carry on the business of manufacturing, fabrication, assembling and dealing in transmission systems, power trains, alloy and metallics components and all kinds and description of automotive parts, motors, electricals, paints and other engineering items for automobiles or any other application as required, throughout the world.

(2) To carry out the business of manufacturing, buying, selling, importing exporting, improving, assembling, repairing and dealing in as original equipment manufacturing of all and every kind of machineries, component parts, replacement parts, spare accessories, tools, implements and fitting for engines and to carry on any other business manufacturing or otherwise, which is connected to the above.

(3) (a) To manufacture engines and the other driving appliances to propel bicycles, rickshaws, e-bikes and other kinds of passenger or goods transport vehicles.

(b) To carry on the business of manufacture of all kinds of tubes, made of any metal or casting and also deal in all kinds of tubes.

(c) To carry on the business of manufacture of all kinds of petrol, diesel, electricity, oil, kerosene and gas engines to give motive power for driving Agricultural Implements, Tractors, cars, lorries, Yachts, Boats or other vehicles.

(4) To manufacture, deal, buy and sell gears, multispeed hubs, spokes and components thereof of all kinds and especially for use in bicycles, tricycles, auto cycle, motor-cycle, mopeds, cycles and auto cycle, motor-cycle, mopeds, cycles and auto cycles rickshaws

(5) To carry on the business of manufacturing, assemble, buy, sell, distribute, import, export of cycles, tricycles and carriages of all kinds and of all articles and things used for the manufacture, maintenance and working thereof to buy, repair, alter and deal in apparatus, machinery materials and articles of all kinds which shall be capable of being used for the purpose of any business herein mentioned or likely to be required by customers of any such business.

(6) To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing/deploying advanced technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical

engineering, to manufacture, test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.

(7) To carry on the business of manufacturing, assembling, producing, buying, selling, distributing, importing, exporting, and dealing in all types of devices, durables, equipment, appliances, peripherals, accessories, motors, components, spares, parts, consumables, instruments, kits, gadgets, tools, testing equipment, machined components, machinery, compressor parts, and any other related products, whether made from ferrous and/or non-ferrous materials or any other materials as may be used in the industry, including substitutes and replacements of such products for automobiles or any other application, appliance or Product.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

The following table set forth details of the amendments to our Memorandum of Association in the last 10 years preceding the date of this Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of the amendments
September 30, 2016	Upon enactment of the Companies Act, 2013 various provisions of the Companies Act, 1956 were repealed. The Company adopted a new MoA, primarily based on Table A of Schedule I of the Companies Act, 2013, in order to align the MoA with provisions of the Companies Act, 2013
December 2, 2022	The main objects of the MoA was amended as follows: (1) To carry on the business of manufacturing, fabrication, assembling and dealing in transmission systems, power trains, alloy and metallics components and all kinds and description of automotive parts, motors, electricals, paints and other engineering items for automobiles or any other application as required, throughout the world. (2) To carry on the business of manufacturing, buying, selling, importing exporting, improving assembling, repairing and dealing in as original equipment manufacturing of all and every kind of machineries, component parts, replacement parts, spare accessories, tools, implements and fitting for engines and to carry on any other business manufacturing or otherwise which is connected to the above. (3) (a) To manufacture engines and the other driving appliances to propel bicycles or rickshaws, e-bikes and other kinds of passenger or goods transport vehicles. (b) To carry on the business of manufacture of all kinds of tubes, made of any mental or casting and also deal in all kinds of tubes. (c) To carry on the business of manufacture of all kinds of petrol, diesel, electricity, oil, kerosene and gas engines to give motive power for driving Agricultural Implements, Tractors, cars, lorries, Yachts, Boats or other vehicles.
	Clause 6 was added to the main objects of the MoA: (6) To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing/deploying advances technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical engineering, to manufacture, test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.
	Clause V of the MoA was amended to reflect the increase in authorized share capital of the Company from ₹ 1,615,000,000 divided into 62,000,000 equity shares and 99,500,000 preference shares of face value of ₹ 10 each to ₹ 4,795,000,000 divided into 380,000,000 equity shares of face value of ₹ 10 each and 99,500,000 preference shares of face value of ₹ 10 each.
May 13, 2024	Clause V of the MoA was amended to reflect the increase in authorized share capital of the Company from ₹ 4,795,000,000 divided into 380,000,000 equity shares of face value of ₹ 10 each and 99,500,000 preference shares of face value of ₹ 10 each, to ₹ 6,795,000,000 divided into 580,000,000 equity shares of face value of ₹ 10 each and 99,500,000 preference shares of face value of ₹ 10 each.
March 12, 2025	The main objects of the MoA were amended by inserting the following as clause 7:

Date of Shareholders' resolution/Effective date	Details of the amendments
	(7) To carry on the business of manufacturing, assembling, producing, buying, selling, distributing, importing, exporting, and dealing in all types of devices, durables, equipment, appliances, peripherals, accessories, motors, components, spares, parts, consumables, instruments, kits, gadgets, tools, testing equipment, machined components, machinery, compressor parts, and any other related products, whether made from ferrous and/or non-ferrous materials or any other materials as may be used in the industry, including substitutes and replacements of such products for automobiles or any other application, appliance or Product.

Major events and milestones of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Milestone
1998	Incorporation of our Company.
	Investment in our Company through joint venture between Briggs & Stratton International Inc. (USA) and Majestic Auto Limited.
2001	Commenced operations of our 'alloys and metallics' business, focusing on sheet metal component manufacturing, machining of casting products and other sheet metal components
2004	The High Court of Delhi at New Delhi vide its order dated July 22, 2004 and the High Court of Punjab and Haryana vide its order dated November 7, 2003 approved the scheme of arrangement between our Company and Majestic Auto Limited pursuant to which all the properties, rights and claims and the entire undertaking relating and pertaining to the Ghaziabad business of Majestic Auto Limited was transferred to our Company.
2015	The High Court of Punjab and Haryana at Chandigarh vide its order dated October 9, 2015 had sanctioned the scheme of arrangement between HCL and our Company whereby the sheet metals, transmission and cycle production, and assemblies business of our Company was transferred to HCL.
2018	Our Company partnered with US-based technology company, enviolo and commenced supply of continuous variable planetary transmission (CVP) hubs, commencing operations of the bike powertrain subunit in our Company's powertrains solutions business.
2020	Our Company entered into an agreement with enviolo for the co-development of an economical version of the CVT hub named "Urban" for Indian and ASEAN and European markets
2021	Entered into a joint venture agreement dated October 27, 2021 with Yamaha to incorporate HYM for the purpose of manufacturing hub motors for e-bikes and selling them to Yamaha and our Company
2022	The Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated November 4, 2022 approved the scheme of arrangement between HCL and our Company whereby the auto component business of HCL was transferred to our Company.
	Our Company acquired 32% stake in HEL.
	Our Company raised funds through private placement of securities from South Asia Growth Invest LLC and South Asia EBT Trust.
2023	Commenced operations at our facility in Samut Prakan, Thailand.
	Our Company acquired 100% stake in STPL from HCL, a member of our Promoter Group and a Group Company.
	Our Company acquired a further 19% stake in HEL, resulting in HEL becoming a subsidiary of our Company.
	Our Company ventured into the electric drive unit segment under the 'ESYNC' brand.
2025	Our Company entered into a joint venture agreement with Vermogensverwaltung Plettenberg GmbH & Co KG along with its group companies ("STP Group") for the purpose of manufacturing forging components
	Our Company incorporated its Subsidiary, Munjal STP Industries Private Limited, pursuant to a certificate of incorporation dated July 22, 2025.

Awards and accreditations

Details of key awards received are set out below:

Calendar Year	Name of the award
2013 - 2014	Received the 'Kirtvir Award (First Prize)' from the Directorate of Factories, Punjab
2014 - 2015	Received the 'Kirt Shiromani Award (Third Prize)' from the Directorate of Factories, Punjab
2015 - 2016	Received the 'Kirtvir Award (Third Prize)' from the Directorate of Factories, Punjab
	Received the 'Quality Performance Award' from Gabriel India Limited
2016 - 2017	Received the 'Best Supplier for Quality Performance Award' from Gabriel India Limited
2017 - 2018	Received the 'Environment Excellence Award' from the Punjab Pollution Control Board
2018 - 2019	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
	Recognized as 'first' for tree plantation, water conservation and energy saving by the Chamber of Industrial and Commercial Undertakings
2020-2021	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
2021-2022	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
2022-2023	Received a certificate of appreciation from the Government of India for the prompt filing of returns and payment of Goods and Services Tax
	Received a letter of appreciation from the Harley-Davidson Motor Company for the Company's contribution towards development and supply of components for 'LaMotta – Pan America 1250 and SportsterS Motorcycles'
	Received a certificate in relation to the presentation of the case study in TQM-India Summit organised by the Quality Circle Forum of India. Further, was awarded the "Gold" award
2023-2024	Received the 'Quality Award' from Ducati Motor Holding, Italy
	Received the 'Appreciation Award for Achieving >90% EHS compliance' from Gabriel India Limited
	Received the 'Best Supplier Award for After Market Delivery' from Gabriel India Limited
	Received a certificate of appreciation from the Government of India for the prompt filing of returns and payment of Goods and Services Tax
2024-2025	Received a certificate of appreciation from the Assistant Commissioner State Tax, Ludhiana for meaningful contribution towards state exchequer and the society
2025-2026	Received the 'First Prize' under the State Export Award, Uttar Pradesh 2023-24, for outstanding export performance in the 'Other Products' category, from the Micro, Small and Medium Enterprises and Export Promotion Department, Government of Uttar Pradesh

Corporate profile of our Company

For our corporate profile, including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see "*Risk Factors*", "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 253, 315 and 446, respectively.

Time and cost overruns

There have been no time and cost over-runs in respect of our business operations as on the date of this Red Herring Prospectus.

Defaults or re-scheduling/ restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings as on the date of this Red Herring Prospectus.

Significant financial and strategic partners

Other than our strategic partnership with (i) Yamaha Motors Co. Ltd., pursuant to the joint venture agreement dated October 27, 2021, for the formation and functioning of our Subsidiary, HYM, and (ii) Vermogensverwaltung Plettenberg GMBH and CO KG along with its group companies ("**STP Group**"), pursuant to the joint venture agreement dated March 7, 2025, for formation and functioning of our Subsidiary, namely MSIPL, our Company does not have any significant financial or strategic partners as on the date of this Red Herring Prospectus. For further details of the joint venture agreement in relation to HYM and MSIPL, please see "– *Shareholders' agreements and other agreements – Other material agreements*" on page 312.

Capacity/facility creation and locations of our facilities, technological centres and warehouses

For details regarding capacity/facility creation and locations of our facilities, technological centres and warehouses see "*Our Business*" on page 253.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*– Major Events and Milestones of our Company*" on pages 253 and 303, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Red Herring Prospectus except as follows:

(i) Share purchase agreement dated November 17, 2023, between our Company and Hero Cycles Limited for acquisition of equity shares of STPL (the "STPL SPA")

Pursuant to the STPL SPA, our Company acquired from Hero Cycles Limited ("**HCL**"), 11,109,990 equity shares of STPL ("**Sale Shares**"), representing 100% of the shareholding of STPL, for a consideration of ₹95.00 million, as on the effective date, i.e. November 29, 2023. Based on the valuation report dated November 15, 2023 issued by Sundae Capital Advisors Private Limited for the purpose of internal assessment, the valuation of equity shares of STPL on a going concern basis based on fair value of each equity share of STPL was ₹8.55 as on October 20, 2023. Accordingly, our Company acquired the Sale Shares for a total consideration of ₹95.00 million from HCL. HCL is one of the entities forming part of our Promoter Group and also one of our Group Companies. Further, our Directors, Pankaj Munjal and Abhishek Munjal are also directors on the board of HCL. For further information, see "*– Our Subsidiaries – Spur Technologies Private Limited*" on page 309.

(ii) Share purchase agreement ("HEL SPA") and deed of adherence ("Deed") dated September 23, 2022 between our Company and Hero International B.V. for acquisition of equity shares of HEL pursuant to shareholders' agreement dated December 15, 2020 ("HEL SHA") executed between Hero International B.V., HEL, William Hewland, and Siobhan Hewland

Pursuant to the HEL SPA and Deed, our Company acquired 4,752 class D equity shares constituting 32.00% of the paid-up share capital of HEL on a fully diluted basis, from Hero International B.V. (the "**Transferor**") for a consideration of £ 4,752 as on the effective date, i.e. September 23, 2022. Under the terms of the Deed, our Company agreed to be bound as party to the HEL SHA entered into by the Transferor, HEL, William Hewland, and Siobhan Hewland ("**HEL Parties**").

Based on the valuation report dated August 10, 2022 issued by Sundae Capital Advisors Private Limited, the valuation of equity shares of HEL on a going concern basis based on fair value of each equity share of HEL was considered as £1 as on June 30, 2022. Accordingly, our Company acquired 4,752 class D equity shares for a consideration of £4,752.

Hero International B.V. is a member of our Promoter Group, being a subsidiary of Hero Cycles Limited, which (i) is a member of the Promoter Group of our Company; and (ii) holds Equity Shares in our Company.

Further, by notice dated February 13, 2023 issued to HEL, our Company acquired an additional 19.00% stake in HEL through exercise of the additional subscription right available to our Company under the HEL SHA. Pursuant to this acquisition, HEL became a subsidiary of our Company with effect from February 20, 2023 with our Company holding 51.00% stake in HEL post the acquisition. Further, under the HEL SHA, our Company has a right to buy pursuant to which it may require William Hewland and Siobhan Hewland to sell shares held by them in HEL to the Company in accordance with the terms of the HEL SHA. Also, under the HEL SHA, William Hewland and Siobhan Hewland have a right to sell pursuant to which it may require the Company to purchase shares held by them in HEL, subject to and in accordance with the terms of HEL SHA.

(iii) Scheme of arrangement between our Company and Hero Cycles Limited and their respective shareholders and creditors ("2022 Scheme of Arrangement")

Our Company and Hero Cycles Limited ("**HCL**") filed a joint petition before the National Company Law Tribunal, Chandigarh Bench under sections 230 to 232, and other applicable provisions of the Companies Act, 2013, read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, seeking sanction of the 2022 Scheme of Arrangement. The 2022 Scheme of Arrangement provided for (a) the demerger, transfer and vesting of HCL's 'Auto Business Undertaking', i.e. the undertaking of HCL related to auto business operations consisting all assets and liabilities relating thereto, as specified in the 2022 Scheme of Arrangement ("**Demerged Undertaking**"); (b) the acquisition of shares held by the public shareholders of our Company, by HCL (as the then majority shareholder of our Company) by way of payment of takeover consideration. The rationale of the 2022 Scheme of Arrangement was, *inter alia*, to segregate HCL's auto business operations, so as to scale operations, unlock its growth potential and serve auto business consumers in a more comprehensive manner to unlock the value of independent businesses for stakeholders by ensuring our Company's focus on the auto business and HCL's focus on the cycle business and provide an exit opportunity to the public shareholders of our Company through HCL's acquisition of their stake;.

The National Company Law Tribunal. Chandigarh Bench approved the 2022 Scheme of Arrangement through its order dated November 4, 2022 ("**NCLT Order**"). Pursuant to the 2022 Scheme of Arrangement, the Demerged Undertaking was demerged from HCL and transferred and vested in our Company, as a going concern., In consideration for such transfer and vesting of the Demerged Undertaking, our Company issued to the shareholders of HCL, (i) 81,174 fully paid up Equity Shares of face value of ₹10 each, for every 100 fully paid up A-class equity shares of face value of ₹1,000 each held in HCL, and (ii) one fully paid up Equity Share of face value of ₹10 against each outstanding B-class equity shares held in HCL.

HCL was given the right to acquire 26,936 Equity Shares in our Company by way of payment of takeover consideration of ₹7.95 million to the public shareholders of our Company. The 2022 Scheme of Arrangement became effective with effect from the appointed date, i.e. April 1, 2021 upon submission of the order of the National Company Law Tribunal, Chandigarh Bench with the RoC on November 30, 2022.

Based on the valuation report dated August 26, 2021 issued by Niranjan Kumar, Registered Valuer – Securities and Financial Assets ("**Valuation Report**") for the purpose of the 2022 Scheme of Arrangement, the fair value per Equity Share of our Company was determined to be ₹23.60 for the purpose of the takeover of Equity Shares held by public shareholders of our Company by HCL, with the same share entitlement ratio as mentioned above.

HCL is one of the entities forming part of our Promoter Group and also one of our Group Companies. Further, our Directors, Pankaj Munjal and Abhishek Munjal are also directors on the board of HCL.

(iv) Scheme of Arrangement between Hero Cycles Limited and our Company and their respective shareholders ("2015 Scheme")

Our Company and Hero Cycles Limited ("**HCL**") filed a joint petition before the High Court of Punjab and Haryana at Chandigarh under sections 391 and 394 read with sections 100 to 103, and other applicable provisions of the Companies Act, 1956, seeking sanction of the 2015 Scheme. The 2015 Scheme provided for the demerger, transfer and vesting of the sheet metals, transmission and cycle production and assemblies business ("**Demerged Undertaking**") of our Company into HCL. The rationale of the 2015 Scheme was, *inter alia*, to demerge the Demerged Undertaking for better synergy of operations and administrative efficiency and for facilitating management of each company to pursue growth and expansion opportunities.

The High Court of Punjab and Haryana at Chandigarh sanctioned the 2015 Scheme through its order dated October 9, 2015 ("**HC Order**"). Pursuant to the 2015 Scheme which was approved by the HC Order, the Demerged Undertaking was demerged from our Company and transferred and vested in HCL, on a going concern basis at book value. In consideration for such transfer and vesting of the Demerged Undertaking, HCL issued to the shareholders of our Company, one fully paid up equity share of face value of ₹10 each for every 13 fully paid up Equity Shares of face value of ₹10 held in our Company, or cash in lieu of shares to such shareholders who held fractional entitlements. The 2015 Scheme also provided that the 6% non-cumulative convertible redeemable preference shares of our Company would be reduced against the debit balance of the profit and loss account, if any. The 2015 Scheme became effective with effect from the appointed date, i.e. April 1, 2014 upon submission of the order of the High Court of Punjab and Haryana at Chandigarh with the RoC on February 17, 2016.

HCL is one of the entities forming part of our Promoter Group and also one of our Group Companies. Further, our Directors, Pankaj Munjal and Abhishek Munjal are also directors on the board of HCL.

Our Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Our Associates

As on the date of this Red Herring Prospectus, our Company does not have an associate company.

Our Joint Ventures

As on the date of this Red Herring Prospectus, our Company does not have a joint venture, other than the joint venture agreements entered into by our Company with Yamaha Motor Co. Limited and STP Group, respectively, pursuant to which our Subsidiaries, HYM and MSIPL, were incorporated. For details of such joint venture agreements, see *"– Shareholders' agreements and other agreements – Other material agreements"* on page 312.

Our Subsidiaries

As on the date of this Red Herring Prospectus, our Company has six Subsidiaries. The details of our Subsidiaries have been provided below:

1. HYM Drive Systems Private Limited ("HYM")

Corporate Information

HYM was incorporated on February 18, 2022, as a company limited by shares under the Companies Act, 2013, pursuant to certificate of incorporation issued by the Registrar of Companies, Chandigarh. Its registered office is situated at Hero Nagar, G.T. Road, Ludhiana, Punjab, – 141003. The CIN is U35999PB2022PTC055274.

Nature of Business

HYM is engaged in the business of manufacturing, procuring and selling hub motors for e-bikes (where e-bikes mean two or three-wheeled vehicles having a rear drive wheel solely human-powered or a two or three-wheeled vehicle with fully operable pedals, seat and electric motor) targeting the Indian and global e-bike market, as authorized under the objects clause of its memorandum of association

Capital Structure

The authorised issued, subscribed and paid-up equity share capital share capital of HYM is ₹320.00 million divided into 32,000,000 equity shares of face value ₹10 each. Its issued, subscribed and paid-up share capital is ₹320.00 million divided into 32,000,000 equity shares of ₹ 10 each.

Shareholding

The shareholding pattern of HYM as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value of ₹10	% of total issued and subscribed capital
Hero Motors Limited	28,799,995	90.00
Pankaj Munjal*	1	Negligible
Charu Munjal*	1	Negligible
Aditya Munjal*	1	Negligible
Abhishek Munjal*	1	Negligible
Amit Gupta*	1	Negligible
Yamaha Motor Co. Ltd.	3,200,000	10.00
Total	**32,000,000**	**100.00**

* *Nominee of Hero Motors Limited*

Financial Information

(in ₹ million, unless specified otherwise)

S. No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
1.	Equity share capital	320.00	320.00	320.00
2.	Net worth	162.56	211.24	276.12
3.	Revenue from operations	95.15	30.93	9.03
4.	Profit after tax for the period/ year	(49.11)	(64.94)	(31.43)
5.	Basic earnings per equity share (in ₹/share)	(1.53)	(2.03)	(0.98)
6.	Diluted earnings per equity share (in ₹/share)	(1.53)	(2.03)	(0.98)
7.	Net asset value per equity share (in ₹/share)	5.08	6.60	8.63
8.	Total borrowings (including lease liabilities)	284.50	156.00	64.60

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of HYM that have not been accounted for by our Company in the Restated Consolidated Financial Information.

2. Hero Edu Systems Private Limited ("Hero EDU")

Corporate Information

Hero EDU was incorporated on December 27, 2022, as a company limited by shares under the Companies Act, 2013, pursuant to certificate of incorporation issued by the Registrar of Companies, Uttar Pradesh at Kanpur. Its registered office is situated at 10th KM Stone GT Road, Post Dujana District Dadri, Gautam Buddha Nagar, Uttar Pradesh, India, 203207. The CIN is U34100UP2022PTC175717.

Nature of Business

Hero EDU is engaged in the business of procuring, manufacturing, assembling, integrating, producing, buying, selling, distributing, trading, importing, exporting, repairing, refurbishing, dealing in all types of electric and allied components, sub- components, including electronic drive systems, e-bikes, other similar e-vehicles, and related products such as motors, batteries, controllers, sensors, displays, chargers, throttles, wire harness, diagnostic / EOL tools, software applications, components and spare parts thereof, PCBs, cell, etc, whether made from ferrous and/or non-ferrous materials or any other materials used in the industry, including substitutes and replacements for such products and to design, develop, prototype, test, integrate, validate e-components and e-systems for, electric vehicles (e- bikes, E 2 wheelers, E 3 wheelers etc), and similar vehicles Further, it also engaged in providing comprehensive

after-sales services including customer support, maintenance, repair, and refurbishment services; and to offer technical assistance, troubleshooting, and upgrades for such products and systems.

Capital Structure

The authorized equity share capital of Hero EDU is ₹300.00 million divided into 30,000,000 equity shares of face value of ₹10 each and issued, subscribed and paid-up equity share capital of Hero EDU is ₹293.49.00 million divided into 29,349,206 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of Hero EDU as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Hero Motors Limited	29,349,200	100.00
Pankaj Munjal*	1	Negligible
Charu Munjal*	1	Negligible
Aditya Munjal*	1	Negligible
Abhishek Munjal*	1	Negligible
Aishwarya Munjal*	1	Negligible
Ruhani Munjal*	1	Negligible
Total	29,349,206	**100.00**

* *Nominee of Hero Motors Limited.*

Financial Information

(in ₹ million, unless specified otherwise)

S.No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
1.	Equity share capital	258.49	175.00	10.00
2.	Net worth	216.79	164.11	9.17
3.	Revenue from operations	254.21	37.47	-
4.	Profit after tax for the period/year	(47.43)	(8.31)	(0.58)
5.	Basic earnings per equity share (in ₹/share)	(2.54)	(0.78)	(0.58)
6.	Diluted earnings per equity share (in ₹/share)	(2.54)	(0.78)	(0.58)
7.	Net asset value per equity share (in ₹/share)	8.39	9.38	9.17
8.	Total borrowings (including lease liabilities)	372.29	184.31	127.23

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of Hero EDU that have not been accounted for by our Company in the Restated Consolidated Financial Information.

3. Hero Motors Thai Limited ("Hero Thai")

Corporate Information

Hero Thai was incorporated as a limited company under the laws of Thailand on July 7, 2021 with the Center of Partnerships and Companies Registration Office, Department of Business Development, Ministry of Commerce, Thailand. Hero Thai's registration number is 0105564107640 and its registered office is situated at 88/16 Moo 4, Asia Industries Estate (Suvarnabhumi), Tambol Klongsuan, Amphur Bang-bo district, Samutprakarn Province

Nature of Business

Hero Thai is engaged in the business of manufacturing, trading, and exporting vehicle parts, engine system parts, gearbox, transmission parts including parts or spare parts related to such products for motorcycles and vehicles, as authorized under the business objectives clause in the company affidavit issued on July 18, 2022.

Capital Structure

The registered capital of Hero Thai is ฿ 91.00 million divided into 910,000 equity shares of face value ฿ 100 each. Its issued, subscribed and paid-up share capital is ฿ 91,000,000 divided into 910,000 equity shares of ฿100 each.

Shareholding

The shareholding pattern of Hero Thai as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of shares of face value of ฿ 100	% of total issued and subscribed capital
Hero Motors Limited	909,998	100.00
Amit Gupta*	1	Negligible
Sanjay Singh Suryavanshi*	1	Negligible

Name of the shareholder	No. of shares of face value of ฿ 100	% of total issued and subscribed capital
Total	**910,000**	**100.00**

* *Nominee of Hero Motors Limited*

Financial Information

(in ฿ million, unless specified otherwise)

S.No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
1.	Equity share capital	71.00	59.00	59.00
2.	Net worth	44.17	53.07	46.53
3.	Revenue from operations	33.95	86.38	72.80
4.	Profit after tax for the period/year	(20.88)	2.73	10.23
5.	Basic earnings per equity share (in ฿/share)	(35.39)	4.63	17.34
6.	Diluted earnings per equity share (in ฿/share)	(35.39)	4.63	17.34
7.	Net asset value per equity share (in ฿/share)	62.21	89.95	78.86
8.	Total borrowings (including lease liabilities)	284.14	309.10	471.40

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of Hero Thai that have not been accounted for by our Company in the Restated Consolidated Financial Information.

4. Spur Technologies Private Limited ("STPL")

Corporate Information

STPL was originally incorporated as Plusdrive International Private Limited as a company limited by shares on March 24, 2014 under the Companies Act, 1956. Its name was changed to Spur Technologies Private Limited pursuant to a fresh certificate of incorporation dated October 12, 2015 issued by the Registrar of Companies, Delhi and Haryana under the Companies Act, 2013. Its registered office is situated at 2A – 1001, 10th Floor, Two Horizon Centre, Sector – 43, DLF Phase – V, Gurugram, Haryana, India, 122002. The CIN is U35990DL2014PTC074086.

Nature of Business

STPL is engaged in the business of manufacturing, assembly, buying, selling distributing, importing and exporting of cycles, tricycles and carriages of all kinds and of all articles and things used for the manufacture, maintenance and working thereof, to buy, repair, alter and deal in apparatus, machinery materials and articles of all kinds which shall be capable of being used for the purpose of any business herein mentioned or likely to be required by customers of any such business, as authorized under the objects clause of its memorandum of association. Further, it is also engaged in carrying on the business of manufacturing, assembling, producing, buying, selling, distributing, importing, exporting, research and development of auto components whether made from ferrous and/or non-ferrous materials or any other materials as may be used in the industry for the purpose of business of STPL.

Capital Structure

The authorized share capital of STPL is ₹ 500.00 million divided into 50,000,000 equity shares of face value ₹10 each and the issued, subscribed and paid-up equity share capital of STPL is ₹ 481.60 million divided into 48,160,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of STPL as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Hero Motors Limited	48,159,994	100.00
Pankaj Munjal*	1	Negligible
Charu Munjal*	1	Negligible
Aditya Munjal*	1	Negligible
Abhishek Munjal*	1	Negligible
Ruhani Munjal*	1	Negligible
Amit Gupta*	1	Negligible
Total	**48,160,000**	**100.00**

* *Nominee of Hero Motors Limited*

Financial Information

(in ₹ million, unless specified otherwise)

S.No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
1.	Equity share capital	481.60	384.18	308.10

S.No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
2.	Net worth	370.15	300.84	226.48
3.	Revenue from operations	491.84	254.43	129.16
4.	Profit after tax for the period/year	(16.87)	(12.42)	(53.64)
5.	Basic earnings per equity share (in ₹/share)	(0.35)	(0.32)	(1.74)
6.	Diluted earnings per equity share (in ₹/share)	(0.39)	(0.37)	(1.74)
7.	Net asset value per equity share (in ₹/share)	7.69	7.83	7.35
8.	Total borrowings (including lease liabilities)	50.13	89.83	110.37

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of STPL that have not been accounted for by our Company in the Restated Consolidated Financial Information.

5. Hewland Engineering Limited ("HEL")

Corporate Information

HEL was incorporated as a company limited by shares under the Companies Act, 1948 (UK) on May 29, 1957 as Electro Brush Plating Limited and its name was subsequently changed to Hewland Engineering Limited on June 29, 1962. Its registered office is situated at Waltham Road, White Waltham, Maidenhead, Berkshire, SL6 3LR. The company registration number is 584792.

Nature of Business

HEL is engaged in the business of designing and manufacturing high-performance transmission and drivetrain components for performance automotive, motorsport, EV and aerospace industries. It also provides custom engineering solutions and invests in research and development to enhance its product offerings.

Capital Structure

The Companies Act, 2006 (UK) does not require a company to have an authorized share capital. The issued, subscribed and paid-up share capital of HEL is £20,613 divided into 20,613 equity shares of face value £1 each.

Shareholding

The shareholding pattern of HEL as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of ordinary shares of face value of £1 each	% of total issued and subscribed capital
William Hewland	9,090 A ordinary shares	44.10
Siobhan Hewland	1,010 B ordinary shares	4.90
Hero Motors Limited	10,513 D ordinary shares	51.00
Total	**20,613**	**100.00**

Financial Information

(in £ million, unless otherwise specified)

S.No.	Particulars	March 31, 2026	March 31, 2025	March 31, 2024
1.	Equity share capital	0.02	0.02	0.02
2.	Net worth	(0.19)	(0.22)	(2.65)
3.	Revenue from operations	11.32	14.83	14.24
4.	Profit after tax for the period/year	(0.31)	1.55	0.77
5.	Basic earnings per equity share (in £/share)	(15.24)	75.42	37.41
6.	Diluted earnings per equity share (in £/share)	(15.24)	75.42	37.41
7.	Net asset value per equity share (in £/share)	(9.29)	(10.84)	(128.44)
8.	Total borrowings (including lease liabilities)	8.88	4.23	3.70

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of HEL that have not been accounted for by our Company in the Restated Consolidated Financial Information.

6. Munjal STP Industries Private Limited ("MSIPL")

Corporate Information

MSIPL was incorporated on July 22, 2025, as a company limited by shares under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre, Manesar. Its

registered office is situated at Phase-8, Focal Point, Chandigarh Road, Ludhiana - 141010, Punjab, India. The CIN is U25910PB2025PTC065193.

Nature of Business

MSIPL is engaged in the business of manufacturing, producing, designing, developing, and supplying near-net-shape, forged powertrain parts, including forged components for engine, transmission, driveline and safety-critical components for internal combustion engine and electric vehicle architectures, as authorized under the objects clause of its memorandum of association. It is also engaged in the business of forging including hot, warm and cold forging, ring, rolling, machining heat treatment, and surface finishing of powertrain components for the automotive, aerospace and heavy machinery industries.

Capital Structure

The authorized share capital of MSIPL is ₹500.00 million divided into 50,000,000 equity shares of face value ₹10 each and the issued, subscribed and paid-up equity share capital of MSIPL is ₹102.55 million divided into 10,255,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of MSIPL as on the date of this Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Hero Motors Limited	5,230,045	51.00
Pankaj Munjal*	1	Negligible
Charu Munjal*	1	Negligible
Abhishek Munjal*	1	Negligible
Ruhani Munjal*	1	Negligible
Ajay Sood*	1	Negligible
High Precision Components International GmbH	5,024,950	49.00
Total	**10,255,000**	**100.00**

* *Nominee of Hero Motors Limited*

Financial Information

(in ₹ million, unless specified otherwise)

S.No.	Particulars	March 31, 2026
1.	Equity share capital	102.55
2.	Net worth	97.10
3.	Revenue from operations*	-
4.	Profit after tax for the period/year*	(1.53)
5.	Basic earnings per equity share (in ₹/share)*	(0.15)
6.	Diluted earnings per equity share (in ₹/share)*	(0.15)
7.	Net asset value per equity share (in ₹/share)	9.47
8.	Total borrowings (including lease liabilities)	-

**MSIPL was incorporated on July 22, 2025, and hence, financial information is not available in respect of MSIPL for the financial years ended March 31, 2024, and March 31, 2025.*

Total Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of MSIPL that have not been accounted for by our Company in the Restated Consolidated Financial Information.

Shareholders' agreements and other agreements

Except as set out below, there are no other arrangements or agreements, deeds of assignment, shareholders' agreements, inter-se agreements, any agreements between the Company, the Promoters and the Shareholders, agreements of like nature and clauses/ covenants which are material to the Company. Further, there are no other clauses/ covenants which are adverse or prejudicial to the interest of the minority/ public shareholders of the Company nor are there agreements that the Company has entered into that are required to be disclosed under the SEBI ICDR Regulations or non-disclosure of which may have a bearing on the investment decisions of the Bidders, except as already disclosed in this Red Herring Prospectus. Further, except as disclosed in this section - "*History and Certain Corporate Matters*", 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. Further, there are no agreements entered into by our Company pertaining to the primary and secondary transactions of securities of the Company.

Share Subscription and Purchase Agreement (the "SSPA") and Shareholders' Agreement each dated December 7, 2022 (the "SHA"), executed between our Company, Hero Cycles Limited ("HCL"), South Asia Growth Invest LLC and South Asia EBT Trust (collectively, the "Investors"), and Pankaj Munjal, Charu Munjal, Aditya Munjal, Abhishek Munjal, Bhagyoday Investments Private Limited, Munjal Sales Corporation, Om Prakash Pankaj Munjal AOP, O P Munjal Holdings (collectively, the "Relevant Shareholders"), amended by amendment agreements each dated December 28, 2022 to the SSPA and SHA, the second amendment agreement dated September 22, 2023 to the SHA, the third amendment agreement dated June 30, 2025 to the SHA (individually to be referred to as 'Hero SHA Amendment Agreement') and the second amendment agreement dated August 22, 2024 to the SSPA

Our Company, HCL, the Investors and the Relevant Shareholders have entered into the SSPA which sets out the terms of purchase of CCPS and Equity Shares in our Company by the Investors. The SHA defines the mutual rights and obligations of the Relevant Shareholders and Investors as shareholders of our Company which include, *inter alia*, (i) right of the Investors to appoint a nominee or an observer to our Board and committees of our Company; (ii) affirmative voting rights of the Investors' nominee director, alternate director or its representative on certain reserved matters (as specified in the SHA) tabled at the meetings of the Shareholders, Board or any committees of our Board; (iii) pre-emptive right of the Investors to subscribe, in the event of a further issue of Equity Shares by our Company; (iv) restriction on transfer of Equity Shares of the Relevant Shareholders, including requirement to obtain prior consent from the Investor, right of first offer and tag-along rights; (v) exit provisions for the Investors; including option of an initial public offer (vi) certain information and inspection rights (viii) subject to applicable laws, obligation of the Company to indemnify, defend and hold harmless the Investors' nominee directors against all claims and losses arising by reason of the fact that such nominee director is or was a director, or otherwise relating to any claim taken or omitted to be taken in such person's capacity as director, and (viii) exclusivity provisions including non-compete and non-solicit provisions applicable to the certain Promoters/members of the Promoter Group. Additionally, under the SSPA, as amended, the conversion of the outstanding 20,971,941 CCPS into an aggregate of 20,971,941 Equity Shares was completed prior to the filing of this Red Herring Prospectus with the RoC, in accordance with Regulation 5(2) of the SEBI ICDR Regulations. Each CCPS had a face value of ₹10 each, carrying a pre-determined non-cumulative dividend rate of 0.0001% per annum, in priority to any dividend on the Equity Shares. Each CCPS has been converted into one Equity Share. For details of CCPS conversion, see "*Capital Structure*" on page 84.

Hero SHA Amendment Agreement: Pursuant to the Hero SHA Amendment Agreement, the SHA will stand automatically terminated upon the date of commencement of listing and trading of Equity Shares on the Stock Exchanges pursuant to the Offer (**"Consummation of the Offer"**). The Hero SHA Amendment Agreement shall stand automatically terminated upon the earlier of the following dates (a) the Consummation of the Offer; (b) 15 months from the date of the Hero SHA Amendment Agreement, IPO Deadline Date (as defined in the SHA) or such later date as may be mutually agreed in writing by the parties to the Hero SHA Amendment Agreement or the date on which the Board and/or the IPO Committee decides not to undertake the Offer or to withdraw any offer document filed with any regulator in respect of an Offer (the **"Long Stop Date"**). In terms of the Hero SHA Amendment Agreement, certain waivers have been granted by the relevant Shareholders until the Long Stop Date in respect of further issue of capital, right of first offer, tag-along and other rights associated with a listing of the securities of our Company, information rights, inspection and audit rights, as well as obligations of our Company to obtain prior consent from the Relevant Shareholders and procedural requirements for proceedings of the Board and shareholder meetings, to the extent of actions and matters required for the facilitation of the Offer. Further, any proposed special rights under the SHA are subject to receipt of approval of the Shareholders post consummation of the Offer by way of a special resolution, at the first general meeting of the Shareholders held by the Company post listing and thereafter subject to receipt of approval of Shareholders periodically by special resolution as prescribed under applicable law.

Other material agreements

Joint Venture Agreement between Yamaha Motor Co. Limited and our Company, along with addendum and deed of adherence to the JV Agreements each dated March 11, 2022 and addendum dated August 11, 2023

Our Company and Yamaha Motor Co. Limited ("**Yamaha**") entered into a joint venture agreement dated October 27, 2021 ("**HYM JVA**") to record the terms and conditions of operation of 'HYM Drive Systems Private Limited'("**HYM**") which was jointly incorporated by Yamaha and our Company for the purpose of manufacturing hub motors for e-bikes and selling them to Yamaha and our Company. HYM agreed to be bound as a party to the joint venture agreement pursuant to execution of a deed of adherence dated March 11, 2022. Thereafter, two addenda dated March 11, 2022 and August 11, 2023 were executed to the HYM JVA. Pursuant to the addendum to the HYM JVA which was executed on August 11, 2023, HYM's scope of business was expanded to permit selling of hub motors to Hero EDU, Yamaha Motor Co. Electronics Limited and its subsidiaries, in addition to our Company and Yamaha. As per the HYM JVA, the percentage of shareholding of Yamaha and our Company in HYM is 10% and 90% respectively. The HYM JVA also lays down the roles for Yamaha and our Company in relation to the operations of HYM. Our Company's responsibilities include, *inter alia*, supporting HYM in procurement, installation and commissioning of equipment for projects; supporting HYM in procurement of parts and materials of hub motors; and supporting HYM in manufacturing hub motors, or in any other way as requested by HYM. Yamaha's responsibilities include providing requisite support in relation to the design of hub motors commissioned through third parties, at HYM's request and based on technical support or consulting agreements that may be separately executed in the future.

Under the terms of the HYM JVA, Yamaha has certain pre-emptive rights, including (i) right of first refusal; (ii) right of first offer; and (iii) tag along rights. In addition, Yamaha is entitled to (i) appoint one director to HYM's board of directors; (ii) to appoint an alternate director in the absence of the director originally appointed by it; and (iii) to nominate the Chief Technical

Officer of the HYM. Our Company has the corresponding right to (i) nominate two directors to the HYM's board of directors; (ii) to appoint an alternate director in the absence of the director originally appointed by it; (iii) to nominate the Chief Executive Officer/Chief Operation Officer/Company Secretary of the HYM; and (iv) to nominate the Chief Financial Officer of the HYM.

Yamaha and our Company have been granted put and call options with respect to their shares held in HYM, respectively, that are exercisable in the event of a deadlock in relation to shareholder resolutions on certain reserved matters. If such deadlock cannot be resolved within thirty business days of its referral to the managing director or chairman of HYM ("**Put Option Period**"), Yamaha is entitled to exercise its put option on its shares held in HYM and sell all of its shares in HYM at a mutually agreed upon price to our Company (including its nominees). In case Yamaha chooses not to exercise its put option within thirty business days from the end of the Put Option Period, our Company is entitled to exercise its call option and purchase all shares held by Yamaha in HYM. The chart below represents the Put Option under HYM JVA:

Steps	Description
1	**Event of Deadlock as defined under clause 14.1 of the agreement is not resolved within 30(thirty) Business Days in India ("Consultation Period") of referral to the Managing Director or Chairman.** Article 14. DEADLOCK 14.1 If a meeting of the shareholders is unable to pass a resolution on any of the reserved matters: (a) because authorized representative of the Company or Yamaha (as the case may be) has not voted in favor of it at a shareholders' meeting or adjournments thereof; or (b) due to lack of quorum at a shareholders' meetings or adjournments thereof; or (c) on account of authorized representative of HML or Yamaha (as the case may be) abstaining from voting in favor of such resolution at the shareholders' meeting or adjournments thereof; as the case may be, a deadlock shall be deemed to have occurred ("**Deadlock**").
2	Yamaha will have the put option right to sell all (and not less than all) of its shares of the HYM to Company or another entity designated by the Company ("**Put Option**").
3	Yamaha may, at its sole discretion, exercise the said Put Option by giving a written notice to the Company at any time during the term of 30 (thirty) business days after the expiry of the Consultation Period.
4	In case the said Put Option is exercised by Yamaha – Company (or its nominee) shall purchase all of Yamaha's shares of HYM within 30 (thirty) business days after the price per share is determined hereunder.
5	The price per shares shall be at a fair value decided by the discussion and approval by the parties.
6	In case that fair value cannot be agreed among the parties within 30 (thirty) business days after Yamaha's notice to exercise its Put Option hereunder, subject to applicable law, the fair value per share shall be decided in accordance with the following formula **Fair Value per share = 100% of Fair Market value**

In addition to the rights and obligations outlined above, our Company and Yamaha are bound by certain restrictions under the HYM JVA including *inter alia* (i) non-competition and non-solicitation restrictions; (ii) restrictions on use of the other party's intellectual property; and (iii) certain confidentiality restrictions.

Trademark license agreement between ZF Hero Chassis Systems Private Limited and our Company, dated December 17, 2024 (the "Trademark License Agreement")

Our Company and ZF Hero Chassis Systems Private Limited ("**ZF Hero**") entered into the Trademark License Agreement, to record the terms and conditions pertaining to the license and use of our Company's trade name "Hero Motors" and "Hero Motors logo" as amended from time to time (the "**Licensed Mark**") by ZF Hero for a period of five years as a part of its new logo for business and official purposes. The Trademark License Agreement *inter alia* lays down the permissions granted to ZF Hero and its affiliates in relation to the use of the Licensed Mark, the consideration paid to our Company, ownership to the title and the restrictions on the sale and transfer of the Licensed Mark. As per the terms of the Trademark License Agreement except for the personal, non-exclusive right to use the Licensed Mark and certain other rights explicitly provided for under the agreement to ZF Hero, our Company continues to hold all rights with respect to the Licensed Mark, including the right of ownership.

Joint venture agreement dated March 7, 2025 entered into between Vermogensverwaltung Plettenberg GmbH and CO KG along with its group companies ("STP Group") and our Company, collectively (the "Parties" and such agreement, the "JV Agreement")

Our Company entered into a joint venture agreement dated March 7, 2025, with the STP Group to record the terms and conditions under which the Parties shall form, manage and operate a company in India, that is established to develop, manufacture and sell forging components for the automotive sector and such other components as may be agreed mutually between the Parties from time to time (the "**JV Company**"), which has been incorporated as Munjal STP Industries Private Limited ("**MSIPL**").

The JV Company shall supply components to our Company and other customers in both Indian and global markets. Our Company will support the JV Company by securing business primarily through its Indian customers, while the STP Group will utilise its European and American customer base to provide support. The STP Group shall be an indirect shareholder of the JV Company as the shares of the JV Company shall be held by High Precision Components International GMBH, a wholly owned subsidiary of Vermogensverwaltung Plettenberg GmbH.

The JV Agreement lays down the terms of the formation of the JV Company which *inter alia* includes terms of incorporation, use of brands and logos, share capital details, shareholding pattern, constitution of the board of directors and the representations and warranties provided by the Parties in relation to their respective rights and obligations in the JV Company. The JV Agreement stipulates the manner of transfer of shares in the JV Company and confers certain transfer restrictions on the Parties such as the right of first refusal, tag along rights and drag along rights. Further, unless otherwise agreed between the Parties any new intellectual property independently developed, created or generated by the JV Company using its own sole technical expertise shall be owned and registered under the name of the JV Company.

However, our Company shall retain the title and ownership rights in and to all intellectual property it currently possesses or has made application for with respect it its business. The rights to all intellectual property that may be provided by our Company to the JV Company shall continue to vest with our Company. Further, the JV Agreement sets forth the grounds of termination including the triggering of events of default and the consequent vesting of shareholders' rights in relation to the acquisition of the shares of such shareholder with respect to whom the JV Agreement is terminated.

Pursuant to the JV Agreement, our Company incorporated its Subsidiary, MSIPL, pursuant to a certificate of incorporation dated July 22, 2025 issued by the Registrar of Companies, Central Registration Centre, Manesar. As on the date of this Red Herring Prospectus, our Company holds 51% and High Precision Components International GmbH (a wholly owned subsidiary of Vermogensverwaltung Plettenberg GmbH & Co KG) holds 49% of the issued, subscribed and paid-up equity share capital of MSIPL. For details, see *"– Our Subsidiaries – Munjal STP Industries Private Limited"* on page 310.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

There are no outstanding guarantees given by our Promoters offering shares in the Offer to any third party as on the date of this Red Herring Prospectus.

Agreements with Key Managerial Personnel, Senior Management Personnel, Director, Promoters, or any other employee

There are no agreements entered into by a Key Managerial Personnel, Senior Management Personnel, or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Agreements required under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations

As on the date of this Red Herring Prospectus, there are no agreements entered into by the Shareholders, our Promoters, members of our Promoter Group, related parties, our Directors, Key Managerial Personnel, employees of our Company, Subsidiaries, either among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restrictions or create any liability upon our Company, including any rescission, amendment or alteration of such agreements, whether or not our Company is a party to such agreements.

Common pursuits between our Subsidiaries and our Company

Our Company is engaged in the business of manufacturing, assembling and dealing as original equipment manufacturer, transmission systems, power trains, alloy and metallics components and all kinds and description of automotive parts. As per their constitutional documents, all of our Subsidiaries are authorised to conduct business in the same line of business as our Company, across the same or different geographies. HYM, MSIPL, Hero EDU, Hero Thai, STPL, and HEL are currently engaged in the same line of business as our Company in relation to original equipment manufacturing. For details, see "*Our Business*" on page 253.

Business interests in our Company

Except in the ordinary course of business and other than the transactions disclosed in "*Our Business*" and "*Restated Consolidated Financial Information – Note 44*" on pages 253 and 415 respectively, our Subsidiaries have no business interests in our Company.

OUR MANAGEMENT

In terms of Companies Act and our Articles of Association, our Company is required to have a minimum of three Directors and a maximum of fifteen Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. As on the date of this Red Herring Prospectus, our Board has 10 Directors comprising of two Executive Directors, eight Non-Executive Directors (including five Independent Directors, which includes two women Directors. 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.

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
1.	**Pankaj Munjal** **Designation:** Chairman, Non-Executive and Non-Independent Director **Period of Directorship:** Director since May 24, 1998 **Term:** With effect from May 30, 2022 and shall be liable to retire by rotation. **Address:** B-5 Greater Kailash, Part- 1, Greater Kailash S.O, South Delhi, Delhi110 048 **Occupation:** Business **Date of Birth:** December 15, 1962 **DIN:** 00005330	63	***Indian Companies*** • Hero Cycles Limited • ZF Hero Chassis Systems Private Limited • HMC E-Valley Private Limited • UT Bikes Private Limited • Firefox Bikes Private Limited • Bhagyoday Investments Private Limited • Ludhiana Advanced Centre For Cycle Technology • Lectro E- Mobility Private Limited • Munjal Kiriu Industries Private Limited ***Foreign Companies*** • Hero International B.V • Insync Bikes Limited • OPM Universal Limited
2.	**Abhishek Munjal** **Designation:** Whole-time Director **Period of Directorship:** Director since April 10, 2020 **Term:** With effect from September 9, 2022 for a period of five years and shall be liable to retire by rotation **Address:** B-5, Part -1, Greater Kailash, Greater Kailash Defence Colony, South Delhi, Delhi 110 048 **Occupation:** Business **Date of Birth:** July 31, 1991 **DIN:** 05355274	35	***Indian Companies*** • Hero Cycles Group Private Limited • ZF Hero Chassis Systems Private Limited • Hero Edu Systems Private Limited • Firefox Bikes Private Limited • Bhagyoday Investments Private Limited • HYM Drive Systems Private Limited • OMA Private Limited • Hero PBG Cycles Private Limited • HMC E-Valley Private Limited • Hero Cycles Limited • Spur Technologies Private Limited • Munjal STP Industries Private Limited ***Foreign Companies*** • Hewland Engineering Limited
3.	**Amit Gupta** **Designation:** Managing Director and CEO **Period of Directorship:** Director since September 9, 2022 **Term:** With effect from September 9, 2022 for a period of five years and shall be liable to retire by rotation	48	***Indian Companies*** • Hero Edu Systems Private Limited • Munjal Kiriu Industries Private Limited • ZF Hero Chassis Systems Private Limited • Hero Transmission Private Limited • Spur Technologies Private Limited

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
	Address: Flat no E-610, 6th floor, Tower- E, Prateek Edifice, plot no: GH-01/A (Beta-2), Sector-107, PO: Noida, Gautam Buddha Nagar, Uttar Pradesh 201 301 **Occupation:** Service **Date of Birth:** July 12, 1978 **DIN:** 02990732		• HYM Drive Systems Private Limited • Lectro E- Mobility Private Limited • HMC E- Valley Private Limited • Munjal STP Industries Private Limited ***Foreign Companies*** • Hero Motors Thai Limited • Hewland Engineering Limited
4.	**Keshav Misra** **Designation:** Non-Executive and Non- Independent Director **Period of Directorship:** Director since September 9, 2022 **Term:** With effect from September 9, 2022 and shall be liable to retire by rotation **Address:** 20, Golf Links, Lodi Road, H.O, South Delhi, Delhi 110 003 **Occupation:** Service **Date of Birth:** October 28, 1977 **DIN:** 00133702	48	***Indian Companies*** • Vostok Capital Private Limited • Barrier Foils Private Limited • Nuvomax Nutritionals Private Limited ***Foreign Companies*** Nil
5.	**Kulbir Singh** **Designation:** Non-Executive and Independent Director **Period of Directorship:** Director since February 1, 2023 **Term:** With effect from February 1, 2023, for a period of five years and not liable to retire by rotation. **Address:** C-320, Defence Colony, Lajpat Nagar S.O, South Delhi, Lajpat Nagar, Delhi 110 024 **Occupation:** Advisor **Date of Birth:** May 12, 1947 **DIN:** 00204829	79	***Indian Companies*** • DCM Nouvelle Specialty Chemicals Limited • DCM Nouvelle Limited • HMC E-Valley Private Limited ***Foreign Companies*** Nil
6.	**Pratibha Goyal** **Designation:** Non-Executive and Independent Director **Period of Directorship:** Director since May 26, 2021 **Term** With effect from May 26, 2026 for a period of five years, and not liable to retire by rotation. **Address:** House No. 8/11, Punjab Agricultural University, P.A.U., Ludhiana, Punjab 141004 **Occupation:** Professional **Date of Birth:** August 10, 1968 **DIN:** 07174666	58	***Indian Companies*** Nil ***Foreign Companies*** Nil
7.	**Sridhar Narayan** (1) **Designation:** Non-Executive Nominee Director **Period of Directorship:** Director since January 4, 2023, and not liable to retire by rotation	54	***Indian Companies***

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
	Term: With effect from January 4, 2023, until such nomination is revoked by South Asia Growth Invest LLC **Address:** Flat 202, Tower D, Raheja Vivaera, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011 Maharashtra **Occupation**: Private equity **Date of Birth:** October 30, 1971 **DIN**:00137243		• Seedworks International Limited *(formerly Seedworks International Private Limited)* • Electrodrive Powertrain Solutions Private Limited • Ti Clean Mobility Private Limited ***Foreign Companies*** • GEF Capital Partners LLC
8.	**Andrew Charles Palmer** **Designation:** Non-Executive and Independent Director **Period of Directorship:** Director since July 16, 2024 **Term:** For a period of five years with effect from July 16, 2024 **Address:** The Dower House, The Green, Blakesley Towcester, Northampton Shire NN12 8RD **Occupation**: Director **Date of Birth:** June 30, 1963 **DIN**: 02155231	63	***Indian Companies*** Nil ***Foreign Companies*** • Pod Point PLC • El Drive (for EBRC) • Inobat Auto J S A • Palmer Energy Technology Limited • Palmer Automotive • Hilo EV Limited • Ionetic
9.	**Ashok Kumar Taneja** **Designation:** Non-Executive and Independent Director **Period of Directorship:** Director since August 12, 2024 **Term:** For a period of five years with effect from August 12, 2024 **Address:** C-6/9, Safdarjung Development Area, Hauz Khas, South Delhi, Delhi- 110 016 **Occupation**: Business Executive **Date of Birth:** August 18, 1951 **DIN**: 00124814	75	***Indian Companies*** • T K Precision Private Limited • Jaynix Engineering Private Limited • HMC E-Valley Private Limited • Hero Cycles Limited • AIS Consumer Glass Solutions Limited ***Foreign Companies*** Nil
10.	**Jyoti Arora** **Designation:** Non-Executive and Independent Director **Period of Directorship:** Director since January 28, 2025 **Term:** For a period of two years with effect from January 28, 2025 **Address:** 431, MDC, Sector 6, Panchkula, Haryana - 134 114 **Occupation**: Retired Civil Servant **Date of Birth:** October 15, 1961 **DIN**: 00353071	64	***Indian Companies*** • Pearl Global Industries Limited ***Foreign Companies*** Nil

(1) Nominee of South Asia Growth Invest LLC and South Asia EBT Trust.

Brief Biographies of Directors

Pankaj Munjal is one of the Promoters of our Company. He is the Chairman, Non- Executive and Non- Independent Director of our Company. He holds a bachelor's degree in science from Panjab University and has completed the executive program in strategic marketing management from Harvard Business School, U.S.A. He has been associated with our Company as a Director since 1998 and was previously associated with Munjal Showa Limited. He has over 45 years of experience. Currently he's also

a director in, among others, Hero Cycles Limited, Munjal Kiriu Industries Private Limited and ZF Hero Chassis Systems Private Limited.

Abhishek Munjal is one of the Promoters of our Company. He is a Whole- time Director of our Company. He holds a bachelor's degree in arts, communication and culture, from the College of Arts and Sciences, Indiana University, USA. He has been associated with our Company as a Director since 2020. He has over nine years of experience. Currently, he is also a director in, among others, ZF Hero Chassis Systems Private Limited, Firefox Bikes Private Limited and Hero Cycles Limited.

Amit Gupta is the Managing Director and CEO of our Company. He holds a post graduate diploma in management from Indian School of Business and completed the 205th session of the advanced management program from Harvard Business School, USA. He is a member of the Institute of Chartered Accountants of India and was recognised as 'CA Business Leader- for Mid Corporates- Manufacturing & Infrastructure' at the 16th ICAI Awards. He was appointed as the Managing Director and CEO of our Company in September 2022 and was associated with companies in the Hero group since 2004, including in our Company (*erstwhile business division of Hero Cycles Limited*) and Munjal Kiriu Industries Private Limited. He has over 22 years of experience.

Keshav Misra is a Non-Executive and Non-Independent Director of our Company. He holds a bachelor's degree in business administration from the University of San Diego, USA and has completed the advanced management program from Harvard Business School, U.S.A. He joined our Company as a director in September 2022. He was previously partner at Baring Private Equity Partners (India) Limited, and prior to that, has worked with Pioneer Investment Management Inc., Boston and Indian Oil Corporation. He is currently a director at Vostok Capital Private Limited, Nuvomax Nutritionals Private Limited and Barrier Foils Private Limited. He has over 25 years of experience. He has been the number one ranked golfer in the country and has won several national and international tournaments while representing the country.

Kulbir Singh is a Non- Executive and Independent Director of our Company. He holds a bachelor's degree in arts with honours in economics from the University of North Bengal. He joined our Company as a Director in February 2023. He has over 55 years of experience in the finance industry and he was previously associated with National and Grindlays Bank Limited (formerly known as Grindlays Bank/ANZ Grindlays Bank), Monument Capital Group LLC and PineBridge Investments Asset Management Company (India) Private Limited.

Pratibha Goyal is a Non- Executive and Independent Director of our Company. She holds a doctorate degree in philosophy in 'impact of labour welfare measures on job satisfaction in textile industry in Punjab' from Punjabi University, a master's degree in business administration from Guru Nanak Dev University, a bachelor's degree in arts, (honours English) from Punjabi University. She joined our Company as a Director in May 2021. She has over 31 years of experience in the education industry and previously was director of the School of Business Studies, Punjab Agricultural University. She also worked as a part time lecturer in commerce at Punjabi University. She was also the vice chancellor of Dr. Ram Manohar Lohia Avadh University. Currently she is serving as a professor in Punjab Agricultural University.

Sridhar Narayan is a Non-Executive Nominee Director of our Company and a nominee of South Asia Growth Invest LLC and South Asia EBT Trust. He holds a bachelor's degree in technology (mechanical engineering) from the Institute of Technology, Banaras Hindu University, and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has been associated with our Company as a Non-Executive Director since January 2023. He is currently associated as a non-executive director with TI Clean Mobility Private Limited and Electrodrive Powertrain Solutions Private Limited and has several years of experience including as a consequence of his association with Global Environment Fund (GEF) entities for over 13 years.

Andrew Charles Palmer is a Non-Executive and Independent Director of our Company. He has completed a course in use of computers from Mid- Warwickshire College of Further Education Leamington SPA and holds a doctorate degree in philosophy from Cranfield University. He is registered as a chartered mechanical engineer at the Institution of Mechanical Engineers and recognised as a chartered manager by the Chartered Management Institute. He is an associate in the Institution of Industrial Managers. He joined our Company as a Director in July 2024. He has over 45 years of experience in the fields of engineering and finance. He is the former CEO of Aston Martin Lagonda and has been associated with the Nissan Motor Company and Automotive Products Limited.

Ashok Kumar Taneja is a Non- Executive and Independent Director of our Company. He holds a bachelor's degree in technology from Indian Institute of Technology, Kanpur. He joined our Company as a director in August 2024. He has over 51 years of experience in corporate management and has been previously associated as a director in Shriram Pistons and Rings Limited.

Jyoti Arora is a Non- Executive and Independent Director of our Company. She holds a bachelor's degree and a master's degree in economics from Panjab University, Chandigarh. She is an IAS officer of year 1987 with over 36 years of experience in sectors like power, infrastructure, electronics, information and technology, and education. She joined our Company as a director on January 28, 2025 and has previously held positions such as Joint Secretary, Ministry of Power, Government of India, Additional Chief Secretary, Higher Education and Technical Education Department, Government of Haryana, Special Secretary and Financial Advisor in the Ministry of Electronics & Information Technology, Government of India and State Information Commissioner, Government of Haryana. She was also on the board of directors of various power utilities of Haryana such as Uttar Haryana Bijli Vitran Nigam Limited and Haryana Power Generation Corporation Limited, Haryana Vidyut Prasaran

Nigam. She was also on the board of directors of various public sector undertakings including Power Grid Corporation of India Limited.

Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel

Except for Pankaj Munjal and Abhishek Munjal who are related as father and son, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately 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.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower

Except as disclosed below, none of our Directors appear in the list of directors of struck-off companies by the registrar of companies or MCA:

Sr. No.	Name of the Director	Designation in our Company	Name of the struck off company in which our Director was a director
1.	Pankaj Munjal	Chairman and Non- Executive Director	Hero Associates Limited
2.	Kulbir Singh	Non-Executive Independent Director	Banda Data Processors Private Limited
			Prem Narain Management Consultants Private Limited
			Citadel Corporate Services Private Limited
			Persistent Sentinel India Private Limited

Except as disclosed below, none of our Directors have any interest in any property acquired 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.

Name of the Director/relative	Transaction Details	Date of transaction	Amount involved	Nature of interest	Whether Director or promoter at the time of transaction
Pankaj Munjal and Abhishek Munjal	Purchase of Mangli land by our Company situated in Ludhiana from Hero Cycles Limited, of which Pankaj Munjal and Abhishek Munjal are Directors	October 8, 2024	₹205.38 million paid by our Company to Hero Cycles Limited	Common director	Yes
Amit Gupta and Abhishek Munjal	Our Subsidiary, Hero EDU entered into lease deed agreement with our Company for a land situated in 10th K.M. Stone, G.T. Road, P.O. Dujana, Dadri Distt., Gautam Budh Nagar. Amit Gupta and Abhishek Munjal are directors in, Hero EDU.	February 1, 2025	₹100,000 per month	Common director	Yes
Amit Gupta and Abhishek Munjal	Our Subsidiary, Hero EDU entered into sub lease deed agreement with our Company for a land situated at 7th Floor, Max Square, Situated at Plot no. C3-C, Jaypee Wishtown, Noida Sector-129, UP-201 304. Amit Gupta and Abhishek Munjal are directors in Hero EDU.	October 1, 2025	₹91,725 per month	Common director	Yes
Pankaj Munjal and Abhishek Munjal	Our Company entered into Lease Deed with Hero Cycles Limited for leasing out a land situated at Lease Premises area 3,915.56 Sq Ft for warehouse located at Hero Motors Limited Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab-141010. Pankaj Munjal	January 5, 2026 (effective from January 1, 2026)	₹19,600 per month	Common director	Yes

Name of the Director/relative	Transaction Details	Date of transaction	Amount involved	Nature of interest	Whether Director or promoter at the time of transaction
	and Abhishek Munjal are directors in Hero Cycles Limited.				

There are certain lease deeds executed between our Company and Hero Cycles Limited and HMC E-Valley Private Limited (*formerly known as Hero E-Cycles Private Limited*), in which our Promoters are interested, details of which are disclosed in the section "*Our Promoters and Promoter Group*" on page 336. Our Subsidiaries, HYM Drive Systems Private Limited, MSIPL and STPL have also entered into lease deeds with HMC E-Valley Private Limited (*formerly known as Hero E-Cycles Private Limited*) and with Hero Cycles Limited, in which our Promoters are interested, details of which are disclosed in the section "*Our Promoters and Promoter Group*" on page 336. Additionally, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh, our Directors, are also directors in HMC E-Valley Private Limited (*formerly known as Hero E-Cycles Private Limited*). Further, our Subsidiary, STPL, has entered into a lease deed agreement with our Company, and our Company has entered into a rent agreement with MSIPL, details of which are disclosed in the section titled "*Our Promoters and Promoter Group*" on page 336.

Except Sridhar Narayan who is a nominee of South Asia Growth Invest LLC and South Asia EBT Trust on our Board, our Company has no nominee directors, KMPs or SMPs appointed on behalf of any of the Shareholders or any other person associated with our Company.

Terms of appointment of our Directors

Terms of appointment of our Executive Directors

Abhishek Munjal

Abhishek Munjal is the Whole-time Director of our Company. He was appointed as the Whole-time Director of our Company for a period of five years beginning from September 9, 2022, pursuant to a board resolution dated September 9, 2022 and the Shareholders' resolution dated December 2, 2022.

Pursuant to a board resolution dated May 29, 2026 and a Shareholders' resolution dated August 17, 2026, the terms of remuneration payable to Abhishek Munjal were revised with retrospective effect from April 1, 2026 as follows:

(i) **Basic salary**: ₹18.75 million per annum.

(ii) **Benefits and allowances**: ₹ 17.99 million per annum. This shall include house rent, personal pay, education, fixed dearness, compensatory and leave and official travel, etc.

(iii) **Contribution to provident fund**: Company shall contribute to the provident fund in accordance with applicable laws and rules of the provident fund.

(iv) **Bonus:** ₹0.02 million per annum subject to management's discretion.

(v) **Variable Component:** Variable pay shall be equivalent to 1% of the actual EBITDA as per the Company's consolidated financial statements, subject to a ceiling of ₹15.00 million.

In addition to the above breakup of remuneration, the Company shall provide a car for official purposes along with fuel, insurance and maintenance expenses and driver salary, the cost of which shall be reimbursed on actual basis.

Perquisites: This shall comprise of club charges, telephone expenses, official travel expenses and, medical benefits as detailed below:

i. The Company shall also bear the cost of club membership fees, either upon submission of invoice or by making payment directly to the vendor, for a maximum membership of three (3) clubs, subject to an overall annual ceiling of ₹3.00 million (inclusive of applicable taxes); and

ii. Official travel expense, medical benefits and telephone expenses shall be governed by, and reimbursed or provided in accordance with, the prevailing policies of the Company, as amended from time to time.

Amit Gupta

Amit Gupta is the Managing Director and CEO of our Company. Amit Gupta was appointed as the Managing Director and CEO of our Company for a period of five years beginning from September 9, 2022, pursuant to a board resolution dated September 9, 2022 and a Shareholders' resolution dated December 2, 2022.

Pursuant to a board resolution dated May 29, 2026 and a Shareholders' resolution dated August 17, 2026, the terms of remuneration payable to Amit Gupta were revised with retrospective effect from April 1, 2026 as follows;

(i) **Basic Salary**: ₹14.15 million per annum;

(ii) **Perquisites, benefits and allowances**: ₹ 12.44 million per annum. The allowances include house rent, personal pay, special, education, fixed dearness, compensatory and reimbursements include conveyance, magazine, telephone.

The perquisite value of Employees' Stock Options granted to Amit Gupta shall be in addition to the remuneration stated above and shall be governed by the ESOP policy of the Company as in force from time to time or as may be approved by the Board. Pursuant to ESOP Plan 1.0, as approved by the members of the Company on December 2, 2022, Mr. Amit Gupta has been granted options conferring the right to subscribe to 57,09,167 Equity Shares of the Company. Further, pursuant to ESOP Plan 2.0, as approved by the members of the Company on December 30, 2022, Mr. Amit Gupta has been granted options conferring the right to subscribe to 24,71,755 Equity Shares of the Company, as on March 31, 2026.

(iii) **Contribution to provident fund**: Company's contribution to provident fund shall be as per the rules of the Company and the fund;

(iv) **Bonus:** ₹0.02 million per annum subject to management's discretion.

(v) **Variable component**: ₹ 3.20 million for the particular financial year. The variable pay will be based on the employee's performance, Company's performance and as per our Company's policy.

In addition to the above, Amit Gupta shall also be entitled to remuneration by way of commission of up to 2% of profit before tax (on consolidated basis) of our Company in a particular year.

In addition to the above breakup of remuneration, the Company shall provide a car for the official purpose along with fuel, insurance and maintenance expenses, driver salary which shall be reimbursed on actual basis, in accordance with the Company's policy.

Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in Financial Year 2026 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Abhishek Munjal	33.62
2.	Amit Gupta	42.90*

* *Includes perquisite value of ₹ 0.47 million for the year ended March 31,2026.*

Remuneration to our Non-Executive Directors

Pursuant to the resolution dated June 25, 2025, passed by our Board, the Independent Directors are entitled to receive sitting fees of ₹ 0.03 million per meeting.

In addition to this, pursuant to the resolution dated February 17, 2025 passed by our Board and Shareholders' resolution dated March 12, 2025, subject to the relevant caps under applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable clauses of the Articles of Association of Company and other applicable laws, Andrew Charles Palmer, our Non-Executive Independent Director, shall be entitled to receive sales commission for any contracts signed by Company with a customer as a result of direct initiatives of Andrew Charles Palmer in the following manner: (a) for the first year, 1% of the actual sales value generated from such customer (first year will be the date of starting of production/execution and actual sales realization); and (b) for the second and third year, 0.5% of the actual sales value generated from such customer.

The table below sets forth the details of the remuneration (including sitting fees and commission, to the extent applicable) paid to our Non-Executive Directors and our Independent Directors for Fiscal 2026:

Name of Independent Director	Amount (in ₹ million)
Pratibha Goyal	0.16
Kulbir Singh	0.21
Ashok Taneja	0.14
Jyoti Arora[@]	0.11
Andrew Charles Palmer	0.06

[@] *Jyoti Arora was appointed as an Additional Independent Director on January 28, 2025, and was regularized as a Non-Executive and Independent Director on March 12, 2025.*

No remuneration was paid to our Chairman, Non-Executive and Non-Independent Director, Pankaj Munjal, our Non-Executive and Non-Independent Director, Keshav Misra and our Non-Executive Nominee Director, Sridhar Narayan in Fiscal 2026**.**

Deferred or contingent compensation

There is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2026.

Except as disclosed under '- *Remuneration to our Non- Executive Directors*' on page 321, no remuneration was paid to our Non-Executive Directors for the Financial Year 2026.

Remuneration paid to our Directors by our Subsidiaries

As on the date of this Red Herring Prospectus, except as disclosed below, none of our Directors are entitled to remuneration from our Subsidiaries.

Name of Director	Designation	Remuneration paid in the financial year ended March 31, 2025 (in ₹ million)	Remuneration paid in the financial year ended March 31, 2026 (in ₹ million)
Amit Gupta	Managing Director & Chief Executive Officer	-	5.00*

** This Amount has been paid by Hero Motors Limited on account of professional services rendered by him to Hero Motors Thai Limited. The same amount has been further cross charged by Hero Motors Limited to Hero Motors Thai Limited.*

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Sridhar Narayan who is a nominee Director of South Asia Growth Invest LLC and South Asia EBT Trust, none of our Directors have been appointed or selected as a Director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

For details, see "- *Terms of appointment of our Directors*" on page 320.

Bonus or profit-sharing plan for Directors

Except for the (i) performance linked variable component payable to our Managing Director and CEO, Amit Gupta for the particular financial year , and (ii) the amount payable to our Managing Director and CEO, Amit Gupta by way of commission up to 2% of profit before tax (on consolidated basis) of the Company in a particular year, and (iii) discretionary bonus payable to our Whole-time Director, Abhishek Munjal and Managing Director and CEO, Amit Gupta, and (iv) commission payable to Andrew Charles Palmer in relation to incremental sale from his initiatives for the Company, as disclosed under '- *Remuneration to our Non- Executive Directors*' on page 321 none of our Directors are party to any bonus or profit sharing plan of our Company. For details, see "- *Terms of appointment of our Directors*" on page 320.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully-diluted basis(%)*
1.	Pankaj Munjal	9,400,436	2.43
2.	Abhishek Munjal	706,210	0.18
3.	Pankaj Munjal on behalf of Om Prakash Pankaj Munjal AOP**	10,537,140	2.72
4.	Pankaj Munjal on behalf of O P Munjal Holdings	273,123,055	70.60
5.	Pankaj Munjal on behalf of Munjal Sales Corporation	392,344	0.10
6.	Amit Gupta	5,584,167	1.44
7.	Keshav Misra	1,000,000	0.26
Total		**300,743,352**	**77.74**

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon exercise of vested options under the ESOP 2022..*

** *Members of Om Prakash Pankaj Munjal AOP includes Pankaj Munjal and M/s Om Prakash & Sons (HUF).*

Sr. No.	*Name of Member*	*Share in profit and losses of Om Prakash Pankaj Munjal AOP*
1.	*Pankaj Munjal*	*90.00%*
2.	*M/s Om Prakash & Sons (HUF)*	*10.00%*
Total		***100.00%***

As on the date of this Red Herring Prospectus, Amit Gupta, our Managing Director and CEO, and Keshav Misra, our Non-Executive and Non-Independent Director, hold employee stock options under the ESOP 2022. For details, see "*Capital Structure - Employee Stock Options Scheme of our Company*" on page 110.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment,

and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "- *Terms of appointment of our Directors"* on page 320."

Our Company has entered into a consulting agreement dated April 1, 2023, further renewed on March 25, 2025 and subsequently on February 25, 2026, (the "**Nuvomax Agreement**") with Nuvomax Nutritionals Private Limited ("**Nuvomax**") pursuant to which our Company has engaged Nuvomax Nutritionals Private Limited to provide certain advisory services in relation to the Offer on a non-exclusive basis, including assessment and preparation for the Offer, coordination with relevant intermediaries, strategic planning and advisory for the Offer as per the terms and conditions set forth in the Nuvomax Agreement. One of our directors, Keshav Misra is the promoter and a director and shareholder of Nuvomax holding 96% stake in Nuvomax.

Our Subsidiary HEL has entered into a consultancy agreement dated February 17, 2025, (the "**Palmer Agreement**") with Palmer Automotive Limited pursuant to which HEL has engaged Palmer Automotive Limited to enhance its operations and business strategy in global market through expert advisory and consultancy services on the terms and conditions set forth in the Palmer Agreement. Our Non-Executive Independent Director, Andrew Charles Palmer is the founder and director of Palmer Automotive Limited.

Ruhani Munjal who is the spouse of Abhishek Munjal is employed with the Company and in Financial Year 2026, she received a remuneration of ₹ 2.42 million.

Except Pankaj Munjal and Abhishek Munjal who are Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company.

Our Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and/or promoters, pursuant to the Offer.

Certain Directors may be deemed to be interested to the extent of Equity Shares, held by them in our Company and its Subsidiaries, and any dividend and other distributions payable in respect of such Equity Shares. Certain Directors may also be deemed to be interested to the extent of employee stock options granted to them by our Company.

Our Directors may be interested in any transactions entered into by our Company or Subsidiaries in the ordinary course of business with companies or firms in which our Directors hold directorships or are interested.

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 any of our Directors are interested as members, by any person, either to induce them to become, or to qualify them, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested as members, in connection with the promotion or formation of our Company

No loans have been availed by our Directors from our Company.

None of our Directors have any interest in our business other than as disclosed in this section and in *"Our Promoters and Promoter Group*" and *"Summary of Related Party Transactions*" on pages 336 and 72, respectively.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Effective Date of Appointment/ Regularisation/ Cessation	Designation	Reason for change in board
Kulbir Singh	September 30, 2023	Independent Director	Regularisation as Independent Director
Andrew Charles Palmer	July 16, 2024	Additional and Independent Director	Appointment as Additional and Independent Director
Pankaj Munjal	July 16, 2024	Chairman of the Board, Non-Executive and Non-Independent Director	Change in designation to Chairman, Non-Executive and Non-Independent Director
Andrew Charles Palmer	July 26, 2024	Non-Executive and Independent Director	Regularisation as Independent Director
Ashok Kumar Taneja	August 12, 2024	Additional and Independent Director	Appointment as Additional and Independent Director
Gaurav Dalmia	August 12, 2024	Additional and Independent Director	Appointment as Additional and Independent Director
Ashok Kumar Taneja	August 13, 2024	Non-Executive and Independent Director	Regularisation as Non-Executive and Independent Director
Gaurav Dalmia	August 13, 2024	Non-Executive and Independent Director	Regularisation as Non-Executive and Independent Director
Gaurav Dalmia	November 6, 2024	Non-Executive and Independent Director	Resignation as Non-Executive and Independent Director
Jyoti Arora	January 28, 2025	Additional and Independent Director	Appointment as Additional and Independent Director

Name	Effective Date of Appointment/ Regularisation/ Cessation	Designation	Reason for change in board
Jyoti Arora	March 12, 2025	Non-Executive and Independent Director	Regularisation as Non-Executive and Independent Director

Borrowing powers of the Board

Pursuant to a resolution passed by our Board in its meeting dated July 16, 2024 and our Shareholders at their meeting dated July 26, 2024, our Board is authorized to borrow from time to time as it may think fit, any sum or sums of money not exceeding ₹4,910.00 million including the money already borrowed by our Company as on such terms and conditions the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever or in respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade , notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of our Company and its free reserves.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of our Board, including the audit committee, stakeholders' relationship committee, nomination and remuneration committee, corporate social responsibility committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations. Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas**.**

As on the date of this Red Herring Prospectus, our Board comprises of 10 Directors, i.e., two Executive Directors, eight Non-Executive Director (including five Independent Directors, which includes two women Directors). In compliance with Section 152 of the Companies Act, 2013, not less than two-thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

Details of the Committees as on the date of this Red Herring Prospectus are set forth below. In addition to the Committees detailed below, our Board may, from time to time constitute other committees for various functions.

Audit Committee

The Members of the Audit Committee are as follows:

1. Kulbir Singh - Non-Executive and Independent Director – Chairman
2. Sridhar Narayan – Non-Executive Nominee Director
3. Pratibha Goyal- Non- Executive and Independent Director

The Audit Committee was last re-constituted on August 12, 2024.The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 12, 2024 passed by our Board are set forth below:

Powers of the Audit Committee

The powers of the Audit Committee shall, *inter alia*, include 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
5. Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

(a) Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by management;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions;

(vii) modified opinion(s) in the draft audit report;

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee and the other members of the committee shall recuse themselves on the discussions related to related party transactions;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(j) 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;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the Company, wherever it is necessary;

(m) Appointment of Registered Valuer under Section 247 of the Companies Act, 2013;

(n) Evaluation of internal financial controls and risk management systems;

(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(p) 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;

(q) Discussion with internal auditors of any significant findings and follow up thereon;

(r) 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;

(s) 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;

(t) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(u) To review the functioning of the whistle blower mechanism;

(v) 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;

(w) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

(x) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(y) Formulating, reviewing and making recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(aa) Reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, at least once in a financial year and verifying that the systems for internal control under the said regulations are adequate and are operating effectively;

(bb) Investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

(cc) To consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and provide comments;

(dd) Reviewing:

i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

ii. Any material default in financial obligations by the Company;

iii. Any significant or important matters affecting the business of the Company; and

(ee) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

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 shall be subject to review by the audit committee;

(e) the examination of the financial statements and the auditors' report thereon;

(f) statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

(g) the financial statements, in particular, the investments made by any unlisted subsidiary; and

(h) Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Pratibha Goyal- Non-Executive and Independent Director - Chairperson

2. Kulbir Singh- Non-Executive and Independent Director

3. Keshav Misra - Non-Executive and Non-Independent Director

The Nomination and Remuneration Committee was last re-constituted on September 9, 2026. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 12, 2024 passed by our Board are set forth below:

(a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(c) Formulating criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on diversity of Board;

(e) 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 specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) Recommending to the board, all remuneration, in whatever form, payable to senior management;

(h) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

(i) 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;

(j) Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

(k) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(l) Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme(s) of the Company;

(m) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

(n) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Companies Act, each as amended or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;

(o) Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(p) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP 2022**") including the following:

(i) Determining the eligibility of employees to participate under the ESOP Scheme;

(ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

(iii) Date of grant;

(iv) Determining the exercise price of the option under the ESOP Scheme;

(v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

(vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

(viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

(x) The grant, vest and exercise of option in case of employees who are on long leave;

(xi) The vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;

(xii) Allowing exercise of unvested options on such terms and conditions as it may deem fit;

(xiii) The procedure for cashless exercise of options;

(xiv) Forfeiture/ cancellation of options granted;

(xv) Arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.

(xvi) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- The vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(q) Construing and interpreting the Employee Stock Option Scheme ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(r) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy; and

(s) Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Pratibha Goyal - Non- Executive and Independent Director – Chairperson
2. Amit Gupta - Managing Director and CEO
3. Abhishek Munjal – Whole-time Director
4. Keshav Misra – Non-Executive and Non- Independent Director
5. Ashok Kumar Taneja - Non-Executive and Independent Director

The Stakeholders' Relationship Committee was last re-constituted on December 10, 2025. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 12, 2024 passed by our Board are set forth below:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, general meetings, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(b) Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

(c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(d) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

(e) Review of measures taken for effective exercise of voting rights by shareholders;

(f) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;

(g) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(h) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(i) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;

(j) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

(k) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

Risk Management Committee

The members of the risk management committee are:

1. Amit Gupta, Managing Director and CEO - Chairman

2. Sridhar Narayan - Non-Executive Nominee Director

3. Keshav Misra – Non- Executive and Non-Independent Director

4. Pratibha Goyal- Non- Executive and Independent Director

The Risk Management Committee was last reconstituted on August 12, 2024. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 12, 2024 passed by our Board are set forth below:

Role of Risk Management Committee

The role of the Risk Management Committee shall, *inter alia,* include the following

(a) To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:

  (i) A framework for identification of internal and external risks specifically faced by the listed entities, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

  (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and

  (iii) Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

(f) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;

(g) To review the status of the compliance, regulatory reviews and business practice reviews;

(h) To approve the process for risk identification and mitigation;

(i) To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;

(j) To monitor the Company’s compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;

(k) To approve major decisions affecting the risk profile or exposure and give appropriate directions;

(l) To consider the effectiveness of decision making process in crisis and emergency situations;

(m) To balance risks and opportunities;

(n) To generally, assist the Board in the execution of its responsibility for the governance of risk;

(o) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(p) The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(q) To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

(r) To implement and monitor policies and/or processes for ensuring cyber security;

(s) To review and recommend potential risk involved in any new business plans and processes;

(t) To review the Company's risk-reward performance to align with the Company's overall policy objectives;

(u) To monitor and review regular updates on business continuity;

(v) The Risk Management Committee shall have powers 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;

(w) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

(x) To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

(y) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

1. Abhishek Munjal-Whole-time Director

2. Amit Gupta – Managing Director and CEO

3. Keshav Misra- Non-Executive and Non-Independent Director

4. Pratibha Goyal- Non-Executive and Independent Director

The corporate social responsibility committee was last reconstituted on January 20, 2023. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated January 20, 2023, passed by our Board are set forth below:

The responsibilities of the Corporate Social Responsibility Committee are:

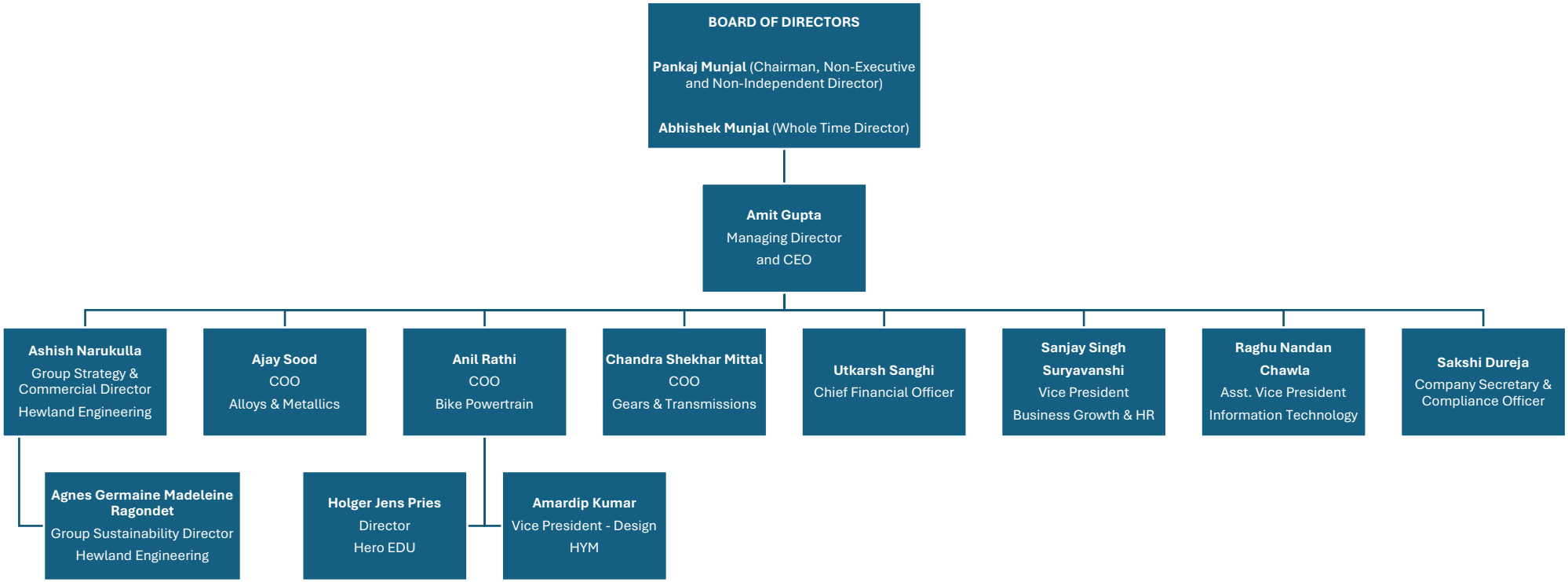
i) To formulate and recommend to the Board, a corporate social responsibility policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act.

ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a).

iii) To monitor the corporate social responsibility policy of the Company from time to time.

iv) To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the corporate social responsibility of the Company.

Management Organisational Chart



Key Managerial Personnel

In addition to Abhishek Munjal who is the Whole-Time Director of our Company, and Amit Gupta, who is the Managing Director and CEO of our Company, the details of the Key Managerial Personnel, as on the date of this Red Herring Prospectus are set forth below:

Utkarsh Sanghi is the Chief Financial Officer of our Company. He joined our Company on May 1, 2025, and was appointed as the Chief Financial officer of our Company on June 25, 2025. He is an associate member of the Institute of Chartered Accountants of India. He was previously associated with Hero Cycles Limited, Premium Transmission Private Limited, Uniparts India Limited, Goodyear India Limited, Moser Baer India Limited, Sanofi Pasteur India Private Limited and Ernst & Young and has over 21 years of experience in the finance sector. During the Financial Year 2026, he received a remuneration of ₹ 5.22 million.

Sakshi Dureja is the Company Secretary and Compliance Officer of our Company. She joined our Company on February 16, 2023, and was appointed as the Company Secretary and Compliance Officer of our Company on July 29, 2026. She holds a provisional degree for bachelor's in law from Chaudhary Charan Singh University, Meerut and is an associate of the Institute of Company Secretaries of India. She has over 5 years of experience in the secretarial, legal, and compliance sectors. She was previously associated with Virohan Private Limited. During the Financial Year 2026, she received a remuneration of ₹ 0.95 million but has not received any remuneration in the capacity of Key Managerial Personnel.

For brief biographies of Amit Gupta and Abhishek Munjal see "– *Brief Biographies of Directors*" on page 317. For details of compensation paid to them during Financial Year 2026, see "–*Remuneration to our Executive Directors*" on page 321.

Senior Management Personnel of our Company

In addition to Utkarsh Sanghi, Chief Financial Officer and Sakshi Dureja, Company Secretary and Compliance Officer of our Company, whose details are provided in *"– Key Managerial Personnel*" on page 333, the details of our other Senior Management as on the date of this Red Herring Prospectus are as set forth below:

Anil Rathi is the chief operating officer of bike powertrain business of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Kanpur and completed the post graduate program in management for executives (UCLA PGPX) from the John Anderson Graduate School of Management, University of California, Los Angeles, USA. He is associated with our Company (*erstwhile business division of Hero Cycles Limited*) since April 5, 2008. He has several years of experience in the field of engineering and was previously associated with the companies in Hero group since April 2008 i.e. Munjal Kiriu Industries Private Limited and Hero Cycles Limited. In the Financial Year 2026, he received a remuneration of ₹ 10.45 million.

Chandra Shekhar Mittal is the chief operating officer of gear & transmission business of our Company. He holds, a bachelor's degree in engineering-production and industrial engineering from Jai Narain Vyas University and a master's degree in global production engineering from Technical University of Berlin, Germany. He completed the 12-month programme in business management and holds the postgraduate certificate in business management from XLRI school of Business and Human Resources. He is associated with our Company since July 2020. He has several years of experience in the field of engineering and was previously associated with ZF Hero Chassis Systems Private Limited, Motor Industries Co. Ltd, (Bosch group), OMB Saleri Valve India Private Limited, and Timken India Limited. In the Financial Year 2026, he received a remuneration of ₹ 9.78 million.

Ajay Sood is the chief operating officer of alloys & metallics business of our Company. He holds a degree in mechanical engineering from the college of Engineering and Technology, Karnataka University He has participated in management development programme for our Company conducted by Indian Institute of Management, Bangalore. He was transferred from Hero Cycles Limited to our Company in December 2022. He has several years of experience in the field of engineering and was previously associated with Hero Cycles Limited, Bajaj Sons Limited and GPP Longhu Precision Forgings. In the Financial Year 2026 he received a remuneration of ₹ 6.37 million.

Sanjay Singh Suryavanshi is the vice president, business growth and human resource of our Company**.** He holds a master's degree in commerce from Charan Singh Vishwavidyalaya and a post graduate diploma in management from Indira Gandhi National Open University. He is associated with our Company since October 2009. He has several years of experience and was previously associated with Mitsui Kinzoku Components India Private Limited, EDAG Technologies India Private Limited, Neel Metal Products Limited and Krishna Toyo Limited. In the Financial Year 2026, he received a remuneration of ₹ 6.70 million.

Holger Jens Pries is the Director of our Subsidiary, Hero EDU. He holds a diploma in electrical engineering from the University of Stuttgart, Germany and from the ENST, France. He has completed the leadership development program from the Center for Creative Leadership, Brussels. He is associated with Hero EDU since May 1, 2023. He has several years of experience in consultancy, product development and technology, and was previously associated with Brose Antriebstechnik GmbH & Co, Renewable Energy Technology Center GmbH, Accenture GmbH, Daimler Chrysler AG and Mecedes Benz Vietnam Limited. In the Financial Year 2026, he received a remuneration of ₹ 1.53 million.

Amardip Kumar is the vice president - design of our Subsidiary, HYM. He holds a master's degree in design engineering from the Birla Institute of Technology and Science, Pilani, Rajasthan and passed the final examination for the diploma in plastics mould technology from the Central Institute of Plastics Engineering and Technology. He has been associated with HYM since June 2022 when he was transferred from our Company (*erstwhile division of Hero Cycles Limited*) to HYM. He has several years of experience in the field of engineering and was previously associated with Minda Industries Limited and Padmini VNA Mechatronics Limited. In the Financial Year 2026, he received a remuneration of ₹ 6.92 million.

Ashish Narukulla is the group strategy and implementation director of our Subsidiary, HEL. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Madras and post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is associated with our Subsidiary, HEL since September 2022 and was associated with our Company since July 2018. He has several years of experience and was previously associated with GE Power Systems India Private Limited. In the Financial Year 2026 he received a remuneration of ₹ 8.82 million.

Agnes Germaine Madeleine Ragondet is the group sustainability director of our Subsidiary, HEL. She holds a degree in technology from the University Institute of Technology of Belfort, France. She also holds a master's degree in engineering from the University of Savoie, France and a doctorate degree in philosophy from the University of Nottingham. She is associated with our Subsidiary, HEL since July 2021. She has several years of experience in product development and education industries. She was previously associated with the University of Warwick. In the Financial Year 2026 she received a remuneration of ₹ 10.71 million.

Raghu Nandan Chawla is the assistant vice President- information technology of our Company. He holds a bachelor's degree of technology in electronics and communication engineering from Kurukshetra University and a post graduate diploma in management for working executives from Indian Institute of Management Society, Lucknow. He is associated with our Company since May 6, 2025. He has several years of experience in consultancy and information technology. He was previously associated with PANalytical division of Spectris Technologies Private Limited, Siemens IT Solutions and Services Private Limited, IBM India Private Limited, Wipro Limited and JCB India Limited. In the Financial Year 2026 he received a remuneration of ₹ 5.91 million.

Status of Key Managerial Personnel and Senior Management Personnel

All the Key Managerial Personnel are permanent employees of our Company. All the Senior Management Personnel are permanent employees of our Company or our Subsidiaries.

Interests of Key Managerial Personnel and Senior Management Personnel

Our Senior Management Personnel, Anil Rathi, have entered into a loan agreement dated May 9, 2023 with our Company, pursuant to which the Company has sanctioned Anil Rathi a loan of ₹ 15.00 million for purchase and renovation of the residential property, for a period of 5 years from the date of the loan agreement. Amit Gupta, our Managing Director is the surety and shall be jointly and severally liable to the terms and conditions of the loan agreement.

Our Senior Management Personnel, Chandra Sekhar Mittal, has entered into a loan agreement dated September 29, 2024 (the "**Loan Agreement**") with our Company, pursuant to which our Company has sanctioned Chandra Sekhar Mittal a loan of ₹ 15.00 million for the purchase and renovation of residential property, for a period of 5 years from the date of the Loan Agreement. Amit Gupta, our Managing Director is the surety and shall be jointly and severally liable to the terms and conditions of the Loan Agreement.

Except as disclosed above and other than as provided in "*Our Management – Interests of Directors*", our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company and our Subsidiaries; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see *"- Shareholding of Key Managerial Personnel and Senior Management Personnel*" on page 334 and "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 110.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

Other than as disclosed in "- *Bonus or profit-sharing plan for our Directors*", and "- *Terms of appointment of our Directors*" on pages 322 and 320 respectively, our Company does not have a performance linked bonus or profit sharing plan.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "– *Shareholding of Directors in our Company*" on page 322 and "*Capital Structure –Share capital history of our Company*" on page 85, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

For details of ESOPs held by our Directors, Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 110.

Changes in Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years are set forth below:

Name	Designation	Date of change	Reason for change
Darpan Vashishtha	Chief Financial Officer	October 13, 2023	Cessation as chief financial officer
Ritesh Kumar Agrawal	Chief Financial Officer	March 4, 2024	Appointment as chief financial officer
Vineet Rai	General Manager- Human Resource	March 8, 2024	Cessation as General Manager- Human Resource
Sheeba Dhamija	Company Secretary	July 19, 2024	Cessation as company secretary
Amardip Kumar	Vice President – Design of HYM	July 19, 2024	Change in designation to vice president – design of HYM
Sakshi Dureja	Company Secretary and Compliance officer	August 12, 2024	Appointment as company secretary and compliance officer
Sakshi Dureja	Company Secretary and Compliance Officer	December 12, 2024	Cessation as company secretary and compliance officer
Esha Gupta	Company Secretary and Compliance Officer	December 12, 2024	Appointment as company secretary and compliance officer
Holger Jens Pries	Director- Hero EDU Systems Private Limited	April 1, 2025	Change in designation to Director in Hero EDU Systems Private Limited
Ritesh Kumar Agarwal	Chief Financial Officer	June 25, 2025	Cessation as chief financial officer
Utkarsh Sanghi	Chief Financial Officer	June 25, 2025	Appointment as chief financial officer
Raghu Nandan Chawla	Assistant Vice President- Information Technology	May 6, 2025	Appointment as Assistant Vice President- Information Technology
Sanjay Singh Suryavanshi	Vice president – business growth and human resource	June 1, 2025	Change in designation to Vice president – business growth and human resource
Andrew Theo Marinus Morley	Managing director of our Subsidiary, HEL	February 9, 2026	Cessation as director of our Subsidiary, HEL
Esha Gupta	Company secretary and compliance officer	February 28, 2026	Cessation as company secretary and compliance officer
Sakshi Dureja	Company Secretary and Compliance Officer	July 29, 2026	Appointment as company secretary and compliance officer
Gopinath Mayavu Kalyana Muhunthan	Vice president - business development	August 21, 2026	Cessation as vice president – business development

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Financial Year 2026.

Payment or benefit to officers of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 322 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except for the remuneration for services rendered as Directors, officers or employees of our Company and as disclosed in " – *Interests of Directors*" and "- *Interests of Key Managerial Personnel and Senior Management Personnel*" on pages 322 and 334, respectively, and stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company's officers including the Key Managerial Personnel and Senior Management Personnel in the two years preceding the date of this Red Herring Prospectus.

Employee stock option plan

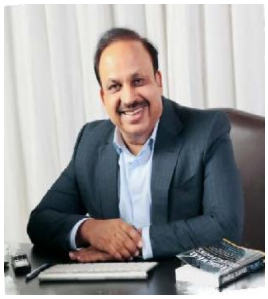
For details of ESOP 2022 see "*Capital Structure*" on page 84.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Pankaj Munjal, Charu Munjal, Abhishek Munjal and O P Munjal Holdings.

As on the date of this Red Herring Prospectus, our Promoters, in aggregate, hold 284,172,126 Equity Shares in our Company, representing 73.46 % of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis. For further details, see "*Capital Structure - Shareholding of our Promoters and Promoter Group*" on page 104.

Details of our Promoters



Pankaj Munjal, aged 63 years, is the Chairman, Non-Executive and Non-Independent Director and one of the Promoters of our Company.

For a complete profile of Pankaj Munjal, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and, financial activities, see "*Our Management*" on page 315.

His PAN is ABMPM8660M.

Charu Munjal, aged 60 years, is the one of the promoters of our Company. Please see below a profile of Charu Munjal:

S. No.	Particulars	Details
1.	Date of Birth	August 12, 1966
2.	Address	B-5 Greater Kailash, Part-1, Greater Kailash S.O, Delhi110 048
3.	Educational qualifications	Bachelor of Arts (Honours Course) in Sociology from the University of Delhi
4.	Business experience	Luxury and Lifestyle business
5.	Directorships held	(i) OMA Private Limited (ii) Auma F&B Concepts Private Limited (iii) Bhagyoday Investments Private Limited (iv) Hero Global Design Private Limited
6.	Other ventures	OMA Private Limited

Her PAN is AAPPM2297Q.

Abhishek Munjal, aged 35 years, is the Whole time Director and one of the Promoters of our Company,

For a complete profile of Abhishek Munjal, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and financial activities, see "*Our Management*" on page 315.

His PAN is BABPM5499R.

Our Company confirms that the PAN, bank account numbers, aadhaar card numbers, passport numbers and driving license numbers, as applicable of our Individual Promoters have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

O P Munjal Holdings

O P Munjal Holdings is a partnership firm registered with the Registrar of Firms & Societies, Punjab on March 11, 2011 under the Partnership Act, 1932, constituted through a partnership deed dated April 24, 2010 and reconstituted pursuant to supplementary partnership deeds dated May 15, 2010, February 24, 2015 (effective from February 21, 2015) and March 14, 2016 (effective from August 14, 2015), with its principal place of business at Hero Nagar G.T. Road, Ludhiana, Punjab, 141003.

O P Munjal Holdings is authorised to engage in the business of trading in auto components.

The PAN of O P Munjal Holdings is AACFO3341G.

Partners of O P Munjal Holdings

Pursuant to the supplementary partnership dated March 14, 2016, O.P. Munjal Holdings has two partners, Pankaj Munjal and Charu Munjal who share profits and losses in the ratio of 80% and 20%, respectively.

Details of change in control of O P Munjal Holdings

There has been no change in the control of O P Munjal Holdings in the last three years preceding the date of this Red Herring Prospectus.

Our Company confirms that the PAN, bank account number and registration number and partnership deed of O P Munjal Holdings have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Change in the control of our Company

Prior to the 2022 Scheme of Arrangement, entered between our Company, Hero Cycles Limited ("**HCL**") and their respective shareholders and creditors, which was approved by the National Company Law Tribunal, Chandigarh Bench through its order dated November 4, 2022, HCL held 97.58% shareholding in our Company and was therefore identified as the promoter of our Company, along with Pankaj Munjal, Om Prakash Pankaj Munjal-AOP, OP Munjal Holdings and Munjal Sales Corporation. Pursuant to the 2022 Scheme of Arrangement and the consequent changes in shareholding of our Company, the following promoters of our Company have been identified (i) Pankaj Munjal; (ii) Charu Munjal; (iii) Abhishek Munjal; and (iv) O P Munjal Holdings, in accordance with applicable laws. For further details, please see "*Capital Structure*" and "*History and Certain Corporate Matters- Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years- Scheme of arrangement between our Company and Hero Cycles Limited and their respective shareholders and creditors ("2022 Scheme")*" on pages 84 and 304, respectively.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that (i) they have promoted our Company; and (ii) to the extent of their shareholding in our Company, directly and indirectly; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", beginning on page 84.

Our Promoters, Pankaj Munjal who is also a Chairman, Non-Executive and Non-Independent Director of our Company, and Abhishek Munjal who is also a Whole-time Director of our Company, may be deemed to be interested to the extent of reimbursement of expenses or remuneration, payable to them, if any in their capacity as Directors. Our Individual Promoters are not entitled to remuneration from our Subsidiaries as on the date of this Red Herring Prospectus. For further details, see "*Our Management – Remuneration to our Non-Executive Directors*", "*Our Management – Remuneration paid to our Directors by our Subsidiaries" and "Our Management – Interests of Directors*" on pages 321, 321 and 322, respectively.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except as disclosed above and as disclosed in *"Our Management"* and "*Summary of Related Party Transactions*" on pages 315 and 72, respectively, no amount or benefit has been paid or given by our Company or its Subsidiaries to our Promoters, or any of the members of the Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group.

Except as disclosed below, our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

i. Our Company has entered into a sale deed dated October 8, 2024 with Hero Cycles Limited to acquire the land and building constructed thereon, located at Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab, India- 141 010 for a total consideration of ₹205.38 million in Financial Year 2024. For more details, please see '*Risk Factors - A portion of the land where our Mangli Facility in Ludhiana, Punjab is located is yet to be registered in the favour of our Company.*' on page 45.

ii. Our Company has entered into a lease deed agreement dated August 14, 2026 with Hero Cycles Limited to utilize a portion of the premises located at Hero Cycles Limited, Hero Nagar, GT Road, Ludhiana, Punjab, India - 141003 for its business and its registered office at the rate of ₹ 7,500 per month for a period of 11 (eleven) months with effect from July 1, 2026. Our Promoter, Pankaj Munjal is a promoter and one of the directors of Hero Cycles Limited, and our promoter, Abhishek Munjal, is one of the directors of Hero Cycles Limited.

iii. Our Subsidiary, HYM Drive Systems Private Limited entered into a lease deed agreement with HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited), dated August 23, 2022, wherein lessor i.e. HMC E-Valley Private Limited has agreed and decided to give on lease to HYM, 2 acres of land on Block A, Plot np. A01A, having some part of land in Khasra No. 5/1/1(6-4), 10/1 (1-18) 6/5/1 (6-0), 6/1 (1-18) Hero Industrial Park, Village Dhanansu, District Ludhiana in HIP, for a period of 33 years commencing from June 15, 2022. Our Promoters Pankaj Munjal and Abhishek Munjal and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh are directors of HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited).

iv. Our Subsidiary, Spur Technologies Private Limited ("**STPL**"), has entered into a lease deed agreement with HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited), dated, April 21, 2022, wherein lessor i.e. HMC E-Valley Private Limited has agreed and decided to give on lease to STPL, 3 acres of land on PLOT no. A01A, having some part of land in Khasra No. 6, 7, 10, 11, 14 and 15 at Hero Industrial Park, Village Dhanansu, District Ludhiana in HIP, for a period of 33 years commencing from February 7, 2022. Our Promoters Pankaj Munjal and Abhishek Munjal and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh are directors of HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited).

v. Our Subsidiary, Spur Technologies Private Limited ("**STPL**"), has entered into a lease deed dated January 19, 2026 with Hero Cycles Limited, wherein Hero Cycles Limited has agreed to let out to STPL an area admeasuring 25 sq. ft. situated at 2A-1001, 10th Floor, Two Horizon Centre, Sector – 43, DLF Phase – V, Gurugram, Haryana, India – 122002, for the purpose of maintaining STPL's registered office, at the rate of ₹ 5,000 per month, for a period of 11 (eleven) months with effect from January 1, 2026. Our Promoter, Pankaj Munjal is a promoter and one of the directors of Hero Cycles Limited, and our promoter, Abhishek Munjal, is one of the directors of Hero Cycles Limited.

vi. Our Subsidiary, STPL, entered into a lease deed agreement with our Company for an area admeasuring 1,400 sq. ft. on the 1st Floor of the premises situated at 10th K.M. Stone, G.T. Road, P.O. Dujana – 203207, Tehsil Dadri, District Gautam Budh Nagar, Uttar Pradesh, for a period of 11 (eleven) months with effect from August 1, 2026. Abhishek Munjal and Amit Gupta are directors in STPL.

vii. Our Subsidiary, Munjal STP Industries Private Limited ("**MSIPL**"), entered into a lease deed agreement with HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited), dated December 9, 2025, wherein lessor i.e. HMC E-Valley Private Limited has agreed and decided to give on lease to MSIPL, 3 acres of land on Block B, Plot No. A-01 (B)-01, Khasra No. 27/17, 18, 23, 24, 37/4 (Village Bonkar) and Khasra No. 4/23, 24, 13/3, 4 (Village Dhanansu) at Hero Industrial Park, District Ludhiana in HIP, for a period of 33 years commencing from October 29, 2025. Our Promoters and Directors, Pankaj Munjal and Abhishek Munjal, and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh, are directors of HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited).

viii. Our Company has entered into a rent agreement dated July 1, 2026 with our Subsidiary, MSIPL, whereby our Company has rented a portion of its premises situated at Phase-8, Focal Point, Chandigarh Road, Ludhiana, Punjab, India - 141010, admeasuring approximately 221 sq. ft. on the ground floor, to MSIPL for the purpose of maintaining its registered office at a monthly rental of ₹ 5,000 for a period of 11 (eleven) months with effect from June 22, 2026. Our Promoter and Director, Abhishek Munjal, and our Director, Amit Gupta, are also directors of MSIPL.

Our Promoters, namely, Pankaj Munjal and Abhishek Munjal are interested in certain ventures which are empowered under their constitutional documents, to undertake similar line of business as that of the Company and the Subsidiaries. However, currently there are no common pursuits between our Company and these ventures. In case any conflict arises in the future, our Company and these ventures will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they may arise.

Other ventures of our Promoters

Other than as disclosed in "*-Entities forming part of our Promoter Group*" and "*Our Management"* on pages 339 and 315, respectively, our Promoters are not involved in any other ventures.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

As on the date of this Red Herring Prospectus, our Promoters have not disassociated with any company or firm in the last three years.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers.

Our Promoters and members of our Promoter Group are not prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not Fugitive Economic Offenders.

Except as disclosed below, none of our Promoters and individual members of the Promoter Group appear in the list of directors of struck-off companies by the registrar of companies or MCA.

Sr. No.	Name	Promoter/Promoter Group	Name of the struck-off company in which the Promoter/member of the Promoter Group was a director
1.	Gunjan R Khanna	Promoter Group (sister of Charu Munjal)	Ankay Khanna Management and Consultants Private Limited
2.	Aman Sethi	Promoter Group (Abhishek Munjal's spouse's father)	Bajghera Infrastructure Private Limited (under process of striking off)
			FGM Hotels Private Limited
			S. S. Enviro Infra Private Limited
			Sarvashuddhi Buildcon Private Limited
			PCL Export (India) Limited
			R R Towers Private Limited
			Bajghera Enterprises Private Limited (under process of striking off)
			FGM Minerals Private Limited
3.	Aditya Munjal	Promoter Group (Pankaj Munjal's and Charu Munjal's son)	Munjal Insurance Services Private Limited
			Munjal Brothers Private Limited
4.	Neeru Khanna	Promoter Group (Pankaj Munjal' sister)	Varun Glaze Tech Private Limited
5.	Puunam Soni	Promoter Group (Pankaj Munjal' sister)	Kaam Dhenu Wool Private Limited ESS Knitwears Private Limited
6.	Pankaj Munjal	Promoter	Hero Associates Limited

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group

In addition to Pankaj Munjal, Charu Munjal and Abhishek Munjal, the natural persons who form part of the Promoter Group are set forth below:

S. No.	Name of the Promoter	Name	Relationship
1.	Pankaj Munjal	Aditya Munjal	Son
		Puunam Soni	Sister
		Neeru Khanna	Sister
		Priyanka Malhotra	Sister
		Surinder Paul Khosla	Spouse's father
		Meenakshi Khosla	Spouse's mother
		Gunjan R. Khanna	Spouse's sister
		Gagan Khosla	Spouse's brother
2.	Charu Munjal	Surinder Paul Khosla	Father
		Meenakshi Khosla	Mother
		Aditya Munjal	Son
		Gagan Khosla	Brother
		Gunjan R. Khanna	Sister
		Puunam Soni	Spouse's sister
		Neeru Khanna	Spouse's sister
		Priyanka Malhotra	Spouse's sister
3.	Abhishek Munjal	Ruhani Munjal	Spouse
		Aaira Munjal	Daughter
		Aditya Munjal	Brother
		Aman Sethi	Spouse's father
		Rimple Sethi	Spouse's mother
		Abir Sethi	Spouse's brother

Entities forming part of our Promoter Group

In addition to OP Munjal Holdings, the entities that form part of the Promoter Group are set forth below:

S. No.	Name of the Entity
1.	Hawk Cycles Private Limited
2.	Hero Financial Services Private Limited
3.	Hero Cycles Limited
4.	Hero Cycles Group Private Limited
5.	Bhagyoday Investments Private Limited**
6.	Auma F&B Concepts Private Limited
7.	HMZ Laboratories Private Limited
8.	Lectro E-Mobility Private Limited
9.	Dote Gift Private Limited

S. No.	Name of the Entity
10.	CGK Decor Private Limited
11.	Pankaj Munjal and Sons (HUF)
12.	Om Prakash and Sons (HUF)
13.	Munjal Sales Corporation (a partnership firm)***
14.	Munjal Bros. Associate (an AOP)
15.	Om Prakash Pankaj Munjal (an AOP)
16.	BFLY Hospitality Ventures Private Limited
17.	OMA Private Limited
18.	Metcorp (a partnership firm)
19.	Sanjeev Soni & Sons
20.	Sri Sai Stalwart (a partnership firm)
21.	Gigi Home LLP (a partnership firm)
22.	Stalwart Home Styles (a partnership firm)
23.	Doft Décor LLP (a partnership firm)
24.	Décor Asia *(formerly Décor Asia Holding)* (a partnership firm)
25.	Varun Car Agency Private Limited
26.	High Rise Industries (a partnership firm)
27.	Nipman Fastener Industries Private Limited *
28.	Hero Global Design Private Limited
29.	Spectrum Tradelinks Private Limited
30.	Tripta Properties Private Limited
31.	Suralap Stationery Private Limited
32.	SS Triomphe Private Limited
33.	FGM Private Limited *(formerly SS and Comp Private Limited)*
34.	Premier Rock Products Private Limited
35.	Vindhya Rocks Private Limited
36.	Jai Jawan Coal Carriers Private Limited
37.	Rose Enterprises Private Limited
38.	Nisha Motor and General Finance Company Private Limited
39.	Paavni Exports (a partnership firm)
40.	Ample Infra Logistics (a partnership firm)
41.	SS Resources (a partnership firm)
42.	Sonagiri Enterprises (a partnership firm)
43.	Bajghera Enterprises (a partnership firm)
44.	Faridabad Mineral Corporation (a partnership firm)
45.	Jai Minerals (a partnership firm)
46.	Kailash Chand Ahuja and Company (a partnership firm)
47.	Ishwar Minerals (a partnership firm)
48.	Manjeet Chawla and Co. (a partnership firm)
49.	PCL Mineral Corporation (a partnership firm)
50.	Ashok Somany & Co. (a partnership firm)
51.	Northern Royalty Co (a partnership firm)
52.	S.S. & Company (a partnership firm - Panipat)
53.	S.S. & Company (a partnership firm - Sonepat)
54.	ZF Hero Chassis Systems Private Limited
55.	Munjal Kiriu Industries Private Limited
56.	Munjal Hospitality Private Limited
57.	Firefox Bikes Private Limited
58.	UT Bikes Private Limited
59.	Hero PBG Cycles Private Limited
60.	Hero Transmission Private Limited
61.	Hero Youon Private Limited
62.	HMC E-Valley Private Limited
63.	Hero International B.V.
64.	OPM Universal Solutions Limited
65.	S.S. & Co.

* *Nipman Fastener Industries Private Limited is currently under corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016. For more details, please see 'Risk Factors – One of our Promoter Group entities, namely Nipman Fastener Industries Private Limited, is currently under the corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016. Additionally, insolvency proceedings have been initiated against one of our Promoter Group members, under Insolvency and Bankruptcy Code, 2016.' on page 46.*

** *Our Promoters Pankaj Munjal, Charu Munjal and Abhishek Munjal and member of our Promoter Group Aditya Munjal are the Directors of Bhagyoday Investments Private Limited.*

The shareholding pattern for Bhagyoday Investments Private Limited as on March 31, 2026, is as follows:

Sr. No.	*Name of shareholder*	*Number of securities held in Bhagyoday Investments Private Limited*	*Percentage of shareholding in Bhagyoday Investments Private Limited*
(a)	*Pankaj Munjal*	*62,500*	*25.00%*
(b)	*Pankaj Munjal on behalf of Om Prakash & Sons (HUF)*	*5,000*	*2.00%*
(c)	*Pankaj Munjal on behalf of Munjal Bros Associates (AOP)#*	*182,500*	*73.00%*
Total		*250,000*	*100.00%*

Members of Munjal Bros Associates (AOP) includes Pankaj Munjal and M/s Pankaj Munjal & Sons (HUF)

*** *Our Promoters Pankaj Munjal, Charu Munjal and Abhishek Munjal, and member of our Promoter Group, Aditya Munjal are the Partners of Munjal Sales Corporation.*

The respective profit/loss share of the partners of Munjal Sales Corporation as on March 31, 2026, is as follows

Sr. No.	***Name of Partner***	***Share in profit and losses of business of Munjal Sales Corporation***
1.	*Pankaj Munjal*	*57.00%*
2.	*Charu Munjal*	*19.00%*
3.	*Aditya Munjal*	*12.00%*
4.	*Abhishek Munjal*	*12.00%*
Total		***100.00%***

OUR GROUP COMPANIES

Pursuant to a resolution dated August 29, 2026, our Board formulated a policy for identification of group companies and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Red Herring Prospectus, group companies of our Company shall include (i) the companies (other than our Promoters and Subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information, read with "*Other Financial Information"* on page 438, during any of the last three Fiscals, in respect of which, the Restated Consolidated Financial Information is included; and (ii) the companies considered material by our Board and to be disclosed as group companies, i.e. companies forming part of the Promoter Group with whom our Company (on a consolidated basis) has entered into one or more transactions during Fiscal 2026, if any, the monetary value of which cumulatively exceeds 10% of the total consolidated revenue of our Company for Fiscal 2026 as per the Restated Consolidated Financial Information.

Accordingly, in terms of the policy adopted by our Board for identification of group companies, our Board has identified the following as Group Companies of our Company:

S. No.	Group Companies
1.	Hero Cycles Limited
2.	Munjal Kiriu Industries Private Limited
3.	Lectro E-Mobility Private Limited
4.	HMC E-Valley Private Limited (formerly "*Hero E-Cycles Private Limited*")
5.	Hero Global Designs Private Limited
6.	Nuvomax Nutritionals Private Limited
7.	OMA Private Limited (formerly "*OMA Living Private Limited*")
8.	HNF GmbH
9.	ZF Hero Chassis Systems Private Limited
10.	Firefox Bikes Private Limited
11.	Bhagyoday Investments Private Limited
12.	Meenakshi Polymers Private Limited

In accordance with the SEBI ICDR Regulations, the financial information based on the audited statement for last three fiscals and with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) basic earnings per share; (v) diluted earnings per share; and (vi) net asset value, in relation to our top five Group Companies, extracted from their respective audited standalone financial statements (as applicable) are available at the websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information/ details of the Group Companies provided on the websites do not constitute a part of this Red Herring Prospectus. None of our Company, the BRLMs or any of the Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below. Anyone placing reliance on any other source of information, would be doing so at their own risk.

Details of our top five Group Companies

1. Hero Cycles Limited ("Hero Cycles")

The registered office of Hero Cycles is situated at Hero Nagar, G T Road, Ludhiana, Punjab, India, 141 003.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of Hero Cycles for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are available on our website at https://www.heromotors.com/investorrelationship

It is clarified that such details available in relation to Hero Cycles on the aforementioned website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

2. Munjal Kiriu Industries Private Limited ("Munjal Kiriu")

The registered office of Munjal Kiriu is situated at Plot No 192, Sector-4, Phase II, IMT Manesar, Gurugram, Haryana, India, 122 050.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of Munjal Kiriu for Fiscal 2026, Fiscal 2025 and Fiscal 2024 are available on our website at https://www.heromotors.com/investorrelationship

It is clarified that such details available in relation to Munjal Kiriu on the aforementioned website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

3. Meenakshi Polymers Private Limited ("MPPL")

The registered office of MPPL is situated at 36. Sabarwal Market, Sadar Bazar, Delhi, India - 110006.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of MPPL for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are available on the website of our Company at https://www.heromotors.com/investorrelationship

It is clarified that such details available in relation to MPPL on the aforementioned website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

4. ZF Hero Chassis Systems Private Limited ("**ZF Hero**")

The registered office of ZF Hero is situated at 2A-1001, 10th Floor, Two Horizon Center Sector-43, DLF Phase-V, Gurgaon, Gurugram, Haryana, India, 122002.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of ZF Hero for Fiscal 2026, Fiscal 2025 and Fiscal 2024 are available on the website of our Company at https://www.heromotors.com/investorrelationship

It is clarified that such details available in relation to ZF Hero on the aforementioned website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

5. HMC E-Valley Private Limited (formerly "*Hero E-Cycles Private Limited*")

The registered office of HMC E-Valley Private Limited is situated at Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India.

In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of HMC E-Valley Private Limited for Fiscal 2025, Fiscal 2024 and Fiscal 2023 are available on the website of our Company at https://www.heromotors.com/investorrelationship

It is clarified that such details available in relation to HMC E-Valley Private Limited on the aforementioned website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Nature and extent of interest of our Group Companies

a. In the promotion of our Company

As of the date of this Red Herring Prospectus, our Group Companies does not have any interest in the promotion of our Company.

b. In the properties acquired by us in the preceding three years before filing this Red Herring Prospectus or proposed to be acquired by our Company or in transactions for acquisition of land, construction of building and supply of machinery

Except as disclosed below, our Group Companies are not interested in (1) the properties acquired by us in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by us as on the date of this Red Herring Prospectus; (2) transactions for acquisition of land; and (3) construction of building and supply of machinery.

i. Our Company has entered into a sale deed dated October 8, 2024 with Hero Cycles Limited to acquire the land and building constructed thereon, located at Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab, India- 141 010 for a total consideration of ₹205.38 million in Financial Year 2024. For more details, please see '*Risk Factors – A portion of the land where our Mangli Facility in Ludhiana, Punjab is located is yet to be registered in the favour of our Company*' on page 45.

ii. Our Company has entered into a lease deed agreement dated August 14, 2026 with Hero Cycles Limited to utilize a portion of the premises located at Hero Cycles Limited, Hero Nagar, GT Road, Ludhiana, Punjab, India - 141003 for its business and its registered office at the rate of ₹ 7,500 per month for a period of 11 (eleven) months with effect from July 1, 2026. Our Promoter, Pankaj Munjal is a promoter and one of the directors of Hero Cycles Limited, and our Promoter, Abhishek Munjal, is one of the directors of Hero Cycles Limited.

iii. Our Subsidiary, HYM Drive Systems Private Limited entered into a lease deed agreement with HMC E-Valley Private Limited (formerly known as Hero E-Cycles Private Limited), dated August 23, 2022, wherein lessor i.e. HMC E-Valley Private Limited has agreed and decided to give on lease to HYM, 2 acres of land on Block A, Plot np. A01A, having some part of land in Khasra No. 5//1/1 (6-4), 10/1 (1-18) 6//5/1 (6-0), 6/1 (1-18) Hero Industrial Park, Village Dhanansu, District Ludhiana in HIP, for a period of 33 years commencing from June 15, 2022. Our Promoters Pankaj Munjal and Abhishek Munjal and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh are directors of HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited). Hero Cycles Limited has 100% shareholding in HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited).

iv. Our Subsidiary, STPL, has entered into a lease deed agreement with HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited), dated, April 21, 2022, wherein lessor i.e. HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited) has agreed and decided to give on lease to STPL, 3 acres of land on PLOT no. A01A, having some part of land in Khasra No. 6, 7, 10, 11, 14 and 15 at Hero Industrial Park, Village Dhanansu, District Ludhiana in HIP, for a period of 33 years commencing from February 7, 2022. Our Promoters Pankaj Munjal and Abhishek Munjal and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh are directors of HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited). Hero Cycles Limited has 100% shareholding in HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited).

v. Our Subsidiary, Munjal STP Industries Private Limited, entered into a lease deed agreement with HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited), dated December 09, 2025, wherein lessor i.e. HMC E-Valley Private Limited has agreed and decided to give on lease to MSIPL, 3 acres of land on Block B, Plot No. A-01 (B)-01, Khasra No. 27/17, 18, 23, 24, 37/4 (Village Bonkar) and Khasra No. 4/23, 24, 13/3, 4 (Village Dhanansu) at Hero Industrial Park, District Ludhiana, for a period of 33 years commencing from October 29, 2025. Our Promoters Pankaj Munjal and Abhishek Munjal and our Directors, Amit Gupta, Ashok Kumar Taneja and Kulbir Singh are directors of HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited). Hero Cycles Limited has 100% shareholding in HMC E-Valley Private Limited (formerly Hero E-Cycles Private Limited).

vi. Our Company has entered into a lease deed agreement dated January 5, 2026 with Hero Cycles Limited for leasing out a portion of land (lease premises area 3,915.56 sq. ft.) for a warehouse located at Hero Motors Limited, Chandigarh Road, Focal Point, Phase-8, Village Mangli, Ludhiana, Punjab-141010, to Hero Cycles Limited, at a monthly rental of ₹19,600, for a period of 11 (eleven) months with effect from January 1, 2026. Our Promoters, Pankaj Munjal and Abhishek Munjal, are also directors of Hero Cycles Limited

vii. Our Subsidiary, Spur Technologies Private Limited ("**STPL**"), has entered into a lease deed dated January 19, 2026 with Hero Cycles Limited, wherein Hero Cycles Limited has agreed to let out to STPL an area admeasuring 25 sq. ft. situated at 2A-1001, 10th Floor, Two Horizon Centre, Sector – 43, DLF Phase – V, Gurugram, Haryana, India – 122002, for the purpose of maintaining STPL's registered office, at the rate of ₹ 5,000 per month, for a period of 11 (eleven) months with effect from January 1, 2026. Our Promoter, Pankaj Munjal is a promoter and one of the directors of Hero Cycles Limited, and our promoter, Abhishek Munjal, is one of the directors of Hero Cycles Limited.

Common pursuits between our Group Companies and our Company

There are no common pursuits between our Group Companies and our Company. However, certain of our Group Companies are authorized under their constitutional documents, to engage in similar line of business as our Company and may undertake such business in the future. While some of our Directors and Promoters, are currently on the board and/or hold equity shares in certain of these Group Companies, however our Company and such Group Companies shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Related business transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Restated Consolidated Financial Information – Note 44: - Details of Related Parties*" and "*History and Certain Corporate Matters"* on pages 415 and 301, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Except for the transactions disclosed in the section "*Restated Consolidated Financial Information – Note 44: - Related Party Disclosures*" and "*History and Certain Corporate Matters"* on page 415 and 301, our Group Companies have no business interest in our Company.

Litigation

Except as disclosed under the section titled "*Outstanding Litigation and Material Developments - Litigation against our Promoters – Material Civil Litigation*", our Group Companies are not a party to any pending litigations which will have a material impact on our Company.

Certain other confirmations

None of the securities of our Group Companies are listed on any stock exchange. For further details, please see "*Other Regulatory and Statutory Disclosures*" on page 491.

None of our Group Companies appear in the list of struck-off companies by the registrar of companies or MCA.

Our Group Companies have not made any public or rights issue of securities in the preceding three years.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013.

The dividend policy of our Company was adopted and approved by our Board in its meeting held on August 12, 2024 ("**Dividend Policy**"). In terms of the Dividend Policy, the declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors which affects the declaration of dividend by our Company include standalone net profit after tax, working capital requirements, capital expenditure requirements, resources required to fund acquisition and/or new businesses and past dividend trends. The external factors which affect the declaration of dividend by our Company include prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws, dividend pay-out ratios of companies in the same industry and significant changes in macro-economic environment materially affecting the business in which the Company is engaged in the geographies in which the Company operates. Accordingly, our Company may not distribute dividend when there is absence or inadequacy of profits. Our Company may also, from time to time, pay interim dividends. The declaration and payment of dividends 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 of our Company, Companies Act, including the rules framed thereunder and other applicable law.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements that our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see "*Financial Indebtedness*" and "*Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures, and restrictive covenants of our financing arrangements*." on pages 441 and 55, respectively.

The details of the dividend paid by our Company on the Equity Shares and CCPS during the last three Financial Years and from April 1, 2026 till the date of this Red Herring Prospectus are given below.

Equity Shares

Particulars	From April 1, 2026 to the date of this Red Herring Prospectus	Financial Year		
		As at and for the Financial Year ended March 31, 2026	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024
Face value of Equity Shares *(in INR)*	10	10	10	10
Dividend amount* *(in INR million)*	114.67	-	88.89	88.39
Number of Equity Shares *(in million)*	358.34	358.34	355.58	353.58
Total dividend per Equity Share *(in INR)*	0.32	Nil	0.25	0.25
Rate of dividend on Equity Share *(%)*	3.20%	Nil	2.50%	2.50%
Dividend distribution tax *(in INR million)*	-	Nil	-	-
Mode of payment	Electronic Transfer	NA	Electronic Transfer	Electronic Transfer

As certified by Ramesh C Agrawal , Chartered Accountants, pursuant to certificate dated September 9, 2026.
** Excluding dividend distribution tax.*

CCPS[#]

Particulars	From April 1, 2026 to the date of this Red Herring Prospectus	Financial Year		
		As at and for the Financial Year ended March 31, 2026	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024
Face value of CCPS *(in INR)*	10	10	10	10
Dividend amount* *(in INR million)*	6.71	Nil	5.24	5.24
Number of CCPS *(in million)*	20.97	20.97	20.97	20.97
Total dividend per CCPS *(in INR)*	0.32	Nil	0.25	0.25
Rate of dividend on CCPS *(%)*	3.20%	Nil	2.50%	2.50%
Dividend distribution tax *(in INR million)*	-	Nil	-	-
Mode of payment	Electronic Transfer	NA	Electronic Transfer	Electronic Transfer

As certified by Ramesh C Agrawal, Chartered Accountants, pursuant to certificate September 9, 2026.

* *Excluding dividend distribution tax.*

[#] *As on the date of this Red Herring Prospectus, our Company does not have any outstanding CCPS. For further details on conversion of CCPS to Equity Shares, see "Capital Structure – Notes to Capital Structure – Share Capital History–History of Equity Share capital of our Company" on page 85.*

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Hero Motors Limited

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 5 below), the attached Restated Consolidated Financial Information of Hero Motors Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries collectively referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Changes in Equity, the Restated Consolidated Statements of Cash Flows for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the Summary Statement of Material Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the board of directors of the Company (the "Board of Directors") at their meeting held on August 29, 2026 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus (together with RHP referred to as the "Offer Documents")prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (together, with BSE Limited, the "Stock Exchanges") and the Registrar of Companies, Chandigarh at Chandigarh ("ROC") in connection with the IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the respective restated financial information. The respective board of directors are also responsible for identifying and ensuring that the Group comply with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 16, 2024 in connection with the IPO;

   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 (the "Consolidated Ind AS Financial Statements") prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 29, 2026, August 12, 2025, and July 16, 2024 respectively.

5. For the purpose of our examination, we have relied on auditors' reports issued by us dated August 29, 2026, August 12, 2025 and July 16, 2024 on the Consolidated Ind AS Financial Statements of the Group as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 as referred in Paragraph 4 above.

6. As indicated in our audit reports referred above:

a) we did not audit financial statements of certain subsidiaries whose share of total assets, total revenues and net cash inflows included in the Consolidated Ind AS Financial Statements, for the relevant years is tabulated below, which have been audited by other auditors, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors:

(Rs in Million)

Particulars	As at/ for the year ended March 31, 2026	As at/ for the year ended March 31, 2025	As at/ for the year ended March 31, 2024
Total assets	4,793.89	3,607.40	2,819.52
Total revenue	2,283.82	2,138.92	1,790.27
Net cash inflow	86.99	111.20	94.06

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of this matter.

b) Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Issuer's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Issuer's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

The other statutory auditors of certain subsidiaries and other auditors of subsidiaries have examined the restated financial information and have confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2026, as applicable;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports of other auditors for the respective years, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2026, as applicable;

b) do not require any adjustments for modification as there is no modification in the underlying audit report; and

c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

8. 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. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Consolidated Ind AS Financial Statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, the Stock Exchanges and the ROC, in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
UDIN: 26105546MYPMGH7554

Place of Signature: Gurugram
Date: August 29, 2026

Hero Motors Limited
CIN : U29299PB1998PLC039602
Restated Consolidated Statement of Assets and Liabilities
(All amount in ₹ millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Assets				
1. Non-current assets				
(a) Property, plant and equipment	4	5,273.09	4,953.70	3,603.06
(b) Right-of-use assets	7	826.70	298.60	354.75
(c) Capital work in progress	5	666.49	380.99	596.03
(d) Goodwill	6	79.73	79.73	79.73
(e) Other intangible assets	9	260.74	145.33	52.52
(f) Intangible assets under development	10	283.26	286.35	180.06
(g) Financial assets				
(i) Investments	11	30.02	30.02	15.62
(ii) Loans	13	17.00	13.63	13.11
(iii) Other financial assets	14	49.05	49.76	73.91
(h) Deferred tax asset (net)	29	55.92	21.44	4.17
(i) Non-current tax assets (net)	15	50.32	125.39	90.46
(j) Other non-current assets	16	66.93	105.83	174.17
Total non-current assets		**7,659.25**	**6,490.77**	**5,237.59**
2. Current assets				
(a) Inventories	17	2,085.13	1,912.57	1,798.98
(b) Financial assets				
(i) Investments	12	23.10	21.61	66.76
(ii) Trade receivables	18	2,529.02	2,023.31	1,947.87
(iii) Cash and cash equivalents	19	223.92	94.48	422.61
(iv) Bank balances other than (iii) above	20	200.00	383.10	460.00
(v) Loans	13	9.72	11.14	6.02
(vi) Other financial assets	14	331.31	320.59	201.75
(c) Other current assets	16	656.83	388.63	456.97
Total current assets		**6,059.03**	**5,155.43**	**5,360.96**
Total assets		**13,718.28**	**11,646.20**	**10,598.55**
Equity and Liabilities				
Equity				
(a) Equity share capital	21	3,583.36	3,573.84	3,535.78
(b) Other equity	22	1,163.20	677.06	322.61
Total equity attributable to owners of the Parent		4,746.56	4,250.90	3,858.39
Non-controlling interests	22	63.52	9.18	(110.23)
Total equity		**4,810.08**	**4,260.08**	**3,748.16**
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	987.69	1,233.69	817.53
(ii) Lease liabilities	8	650.99	181.32	233.30
(iii) Others financial liabilities	25	81.28	81.37	47.08
(b) Provisions	27	565.64	595.66	736.47
(c) Deferred tax liabilities (net)	29	177.41	139.32	105.99
Total non-current liabilities		**2,463.01**	**2,231.36**	**1,940.37**

Hero Motors Limited
CIN : U29299PB1998PLC039602
Restated Consolidated Statement of Assets and Liabilities
(All amount in ₹ millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	3,020.20	2,842.53	2,222.45
(ii) Lease liabilities	8	47.30	58.85	66.63
(iii) Trade payables	28			
- Total outstanding dues of micro enterprises and small enterprises		276.49	231.22	171.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,126.97	1,140.85	1,190.76
(iv) Other financial liabilities	25	1,696.10	648.58	1,019.53
(b) Other current liabilities	26	184.68	153.00	218.53
(c) Provisions	27	93.45	79.73	20.41
Total current liabilities		**6,445.19**	**5,154.76**	**4,910.02**
Total equity and liabilities		**13,718.28**	**11,646.20**	**10,598.55**

The accompanying material accounting policies and notes form an integral part of the Restated Consolidated Financial Information. 1 - 74

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
Place : Gurugram

For and on behalf of Board of Directors of
Hero Motors Limited

Abhishek Munjal
Whole Time Director
(DIN: 05355274)
Place: Noida

Amit Gupta
Managing Director and
Chief Executive Officer
(DIN: 02997032)
Place: Noida

Utkarsh Sanghi
Chief Financial Officer
Place : Noida

Sakshi Dureja
Company Secretary and
Compliance Officer
(Membership No. 70710)
Place : Noida

Hero Motors Limited
CIN : U29299PB1998PLC039602
Restated Consolidated Statement of Profit and Loss
(All amount in ₹ millions, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
	Income				
I	Revenue from operations	31	11,883.51	10,895.93	10,643.86
II	Other income	32	283.91	216.40	190.33
III	**Total income (I+II)**		**12,167.42**	**11,112.33**	**10,834.19**
IV	**Expenses**				
	(a) Cost of materials consumed	33	6,535.02	6,304.43	6,404.49
	(b) Purchases of stock-in-trade	34	277.14	76.57	-
	(c) Changes in inventories of finished goods, work in progress and stock in trade	35	116.72	(6.69)	45.67
	(d) Employee benefits expenses	36	1,645.08	1,711.38	1,773.67
	(e) Finance costs	37	408.38	369.84	334.13
	(f) Depreciation and amortisation expenses	38	459.40	379.44	285.51
	(g) Other expenses	39	2,096.05	1,886.60	1,747.60
	Total expenses		**11,537.79**	**10,721.57**	**10,591.07**
V	**Restated profit before exceptional items and tax (III-IV)**		**629.63**	**390.76**	**243.12**
VI	Exceptional items	73			
	Statutory impact of new Labour Codes		19.59	-	-
VII	**Restated profit before tax (V-VI)**		**610.04**	**390.76**	**243.12**
VIII	**Tax expense:**	30			
	(a) Current tax		214.37	77.43	12.46
	(b) Deferred tax		(16.01)	(14.63)	60.31
	Total tax expense		**198.36**	**62.80**	**72.77**
IX	**Restated profit for the year (VII-VIII)**		**411.68**	**327.96**	**170.35**
X	**Restated other comprehensive income / (loss)**				
(A)	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurement gain / (loss) on defined benefit plans		78.52	122.77	(48.81)
	(ii) Income tax on items that will not be reclassified to profit or loss		(19.62)	(30.68)	(2.36)
(B)	(i) Items that will be reclassified to profit or loss				
	(a) Foreign Exchange differences on translation of foreign operations		13.26	3.00	(42.37)
	Restated other comprehensive income / (loss) for the year, net of tax (IX+X)		**72.16**	**95.09**	**(93.54)**
XI	**Total Restated comprehensive income / (loss) for the year, net of tax**		**483.84**	**423.05**	**76.81**
XII	**Restated profit for the year attributable to :**				
	Equity holder of parent		435.68	252.02	134.17
	Non-Controlling interests		(24.00)	75.94	36.18
			411.68	**327.96**	**170.35**
XIII	**Restated other comprehensive income / (loss) for the year attributable to :**				
	Equity holders of parent		53.43	53.39	(60.27)
	Non-Controlling interests		18.73	41.70	(33.27)
			72.16	**95.09**	**(93.54)**
XIV	**Restated total comprehensive income / (loss) for the year attributable to :**				
	Equity holders of parent		489.11	305.41	73.90
	Non-Controlling interests		(5.27)	117.64	2.91
			483.84	**423.05**	**76.81**
XV	**Earnings per share: (face value ₹10 per share)**	40			
	1) Basic (amount in ₹)		1.15	0.67	0.36
	2) Diluted (amount in ₹)		1.14	0.66	0.35

The accompanying material accounting policies and notes form an integral part of the Restated Consolidated Financial Information 1 - 74

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
Place : Gurugram

For and on behalf of Board of Directors of
Hero Motors Limited

Abhishek Munjal
Whole Time Director (DIN: 05355274)
Place: Noida

Amit Gupta
Managing Director and Chief Executive Officer
(DIN: 02997032)
Place: Noida

Utkarsh Sanghi
Chief Financial Officer Place : Noida

Sakshi Dureja
Company Secretary and Compliance Officer
(Membership No. 70710)
Place : Noida

Hero Motors Limited

CIN : U29299PB1998PLC039602

Restated Consolidated Statement of Changes in Equity
(All amount in ₹ millions, unless otherwise stated)

	Amount
A. Equity Share Capital	
As at April 1, 2023	**3,535.78**
Changes during the year	-
As at March 31, 2024	**3,535.78**
Changes during the year	38.06
As at March 31, 2025	**3,573.84**
Changes during the year	9.52
As at March 31, 2026	**3,583.36**

B. Other Equity

Particulars	Securities premium	CCPS classified as equity	Share based payment reserve	Demerger adjustment deficit account	Capital reserve	Non controlling Interest reserve	Retained earnings	Foreign currency translation reserve	Total other equity before Non controlling Interest	Non controlling interest	Total other equity including Non controlling interest
Balance as at April 1, 2023 as restated	**5,543.96**	**209.72**	**133.50**	**(7,528.00)**	**16.08**	**-**	**1,549.73**	**25.60**	**(49.41)**	**(113.14)**	**(162.55)**
Share issue expenses (refer note 22 (7))	(2.93)	-	-	-	-	-	-	-	(2.93)	-	(2.93)
Credit to equity for equity-settled share-based payments (refer note 41)	-	-	394.62	-	-	-	-	-	394.62	-	394.62
Restated profit for the year	-	-	-	-	-	-	134.17	-	134.17	36.18	170.35
Dividend distribution (Refer note 66)	-	-	-	-	-	-	(93.57)	-	(93.57)	-	(93.57)
Restated other comprehensive income for the year	-	-	-	-	-	-	(22.54)	-	(22.54)	(28.63)	(51.17)
Foreign Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(37.73)	(37.73)	-	(37.73)
Non Controlling Interest of foreign currency translation reserves for the year	-	-	-	-	-	-	-	-	-	(4.64)	(4.64)
Restated Total Comprehensive Income for the year	-	-	-	-	-	-	**18.06**	**(37.73)**	**(19.67)**	**2.91**	**(16.76)**
Balance as at March 31, 2024 as restated	**5,541.03**	**209.72**	**528.12**	**(7,528.00)**	**16.08**	**-**	**1,567.79**	**(12.13)**	**322.61**	**(110.23)**	**212.38**
Share issue expenses (refer note 22 (7))	(3.15)	-	-	-	-	-	(1.77)	-	(4.92)	**1.77**	(3.15)
Share based payment reserve on shares exercised transferred to Security Premium	231.91	-	(231.91)	-	-	-	-	-	-	-	-
Credit to equity for equity-settled share-based payments (refer note 41)	-	-	148.17	-	-	-	-	-	148.17	-	148.17
Restated profit for the year	-	-	-	-	-	-	252.02	-	252.02	75.94	327.96
Dividend distribution (Refer note 66)	-	-	-	-	-	-	(94.21)	-	(94.21)	-	(94.21)
Deemed Equity Contribution by Non Controlling interest	-	-	-	-	-	-	-	-	-	-	-
Restated other comprehensive income for the year	-	-	-	-	-	-	45.96	-	45.96	41.70	87.66
Foreign Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	7.43	7.44	-	7.44
Non Controlling Interest of foreign currency translation reserves for the year	-	-	-	-	-	-	-	-	-	-	-
Restated Total Comprehensive Income for the year	-	-	-	-	-	-	**203.77**	**7.43**	**211.20**	**117.64**	**328.84**
Balance as at March 31, 2025 as restated	**5,769.79**	**209.72**	**444.38**	**(7,528.00)**	**16.08**	**-**	**1,769.79**	**(4.70)**	**677.06**	**9.18**	**686.24**
Share issue expenses (refer note 22 (7))	(3.93)	-	-	-	-	-	-	-	(3.93)	-	(3.93)
Share based payment reserve on shares exercised transferred to Security Premium	57.98	-	(57.98)	-	-	-	-	-	-	-	-
Credit to equity for equity-settled share-based payments (refer note 41)	-	-	105.03	-	-	-	-	-	105.03	-	105.03
Restated profit for the year	-	-	-	-	-	-	435.68	-	435.68	(24.00)	411.68
Dividend distribution (Refer note 66)	-	-	-	-	-	-	-	-	-	-	-
Deemed Equity Contribution by Non Controlling interest	-	-	-	-	-	-	-	-	-	50.25	50.25
Financial liability related to call option exercised	-	-	-	-	-	(84.74)	-		(84.74)	9.36	(75.38)
Recognition of put option liability related to Hewland Engineering (Refer Note 22(11)	-	-	-	-	-	(19.33)	-	-	(19.33)	-	(19.33)
Restated other comprehensive income for the year	-	-	-	-	-	-	38.66	-	38.66	18.73	57.39
Foreign Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	14.77	14.77	-	14.77
Non Controlling Interest of foreign currency translation reserves for the year	-	-	-	-	-	-	-	-	-	-	-
Restated Total Comprehensive Income for the year	-		-	-	-	**(104.07)**	**474.34**	**14.77**	**385.04**	**54.34**	**439.38**
Balance as at March 31, 2026 as restated	**5,823.84**	**209.72**	**491.43**	**(7,528.00)**	**16.08**	**(104.07)**	**2,244.13**	**10.07**	**1,163.20**	**63.52**	**1,226.72**

The accompanying material accounting policies and notes form an integral part of the Restated Consolidated Financial Information 1-74

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For and on behalf of Board of Directors of Hero Motors Limited

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
Place : Gurugram

Abhishek Munjal
Whole Time Director
(DIN: 05355274)
Place: Noida

Amit Gupta
Managing Director and Chief Executive Officer
(DIN: 02997032)
Place: Noida

Utkarsh Sanghi
Chief Financial Officer
Place : Noida, India

Sakshi Dureja
Company Secretary and Compliance Officer
(Membership No. 70710)
Place: Noida

1. Corporate Information

"Hero Motors Limited, 'the Company' was incorporated on April 30, 1998, as an unlisted public Company under the Companies Act, 1956, vide Registration Number U29299PB1998PLC039602. The Registered Office of the Company is at Hero Nagar G. T. Road, Ludhiana, Punjab 141003.

The Restated Consolidated Financial Information is prepared for the Company and its subsidiaries together referred to as the "Group" and its associate.

The main objective of the Group's business is manufacturing, buying, selling, importing, exporting, improving, assembling, repairing and dealing of all kinds of component parts, replacement parts, gears, power train solutions, spare accessories, tools, implements and fittings for engines scooters, motorcycles, three wheelers, e-bikes or otherwise.

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the resulting Company, with effect from April 01, 2021, the appointed date.(refer note-49).

Information on the Group's structure is provided in Note 2.1. Information on other related party relationships of the Group is provided in Note 44.

1.1 Details of subsidiaries:

Hewland Engineering Limited (Hewland: British company specializing in designing and manufacturing gearboxes and transmission systems for motorsport and high-performance vehicles. Hewland's product range includes manual and sequential gearboxes, differential units, and bespoke drivetrain components. Hewland collaborates with OEMs to develop customized transmission systems tailored to specific vehicle needs.

Hero Motors Thai Limited (HM Thai): An advanced gearbox assembly manufacturing facility in Samut Prakan, Thailand in 2023 to cater to the growing ASEAN region and global internal combustion engine ("ICE") and EV markets.

HYM Drive System Private Limited: A Joint Venture company with Yamaha Motors Japan. focuses in design, validation, and production of motors for two-wheelers. The facility features latest and advanced motor assembly line built as per Japanese standards, along with in-house motor winding and comprehensive end-of-line testing.

Spur Technology Private Limited: Manufacturing components for high-end bikes and e-bikes.

Hero EDU System Private Limited: We also ventured into the electric drive unit ("EDU") segment for micro-mobility under the 'ESYNC' brand. EDUs are integrated systems with motor, battery and controller as key components and have major impact on the overall performance and functionalities of the end-applications such as e-bikes or electric two-wheelers.

Munjal STP Industries Limited : To carry on the business to manufacture, produce, design, develop, and supply near-net-shape, forged powertrain parts, including but not limited to forged components for engine, transmission, driveline and safety-critical components for internal combustion engine and electric vehicle architectures including light vehicles, commercial vehicles and off-highway vehicles, as well as the products for industrial market, forged components for internal combustion engine powertrains, forged parts for electric vehicle powertrains, automotive engine parts such as crankshafts, camshafts, pistons, connecting rods, flywheels, powertrain components such as gears, shafts, housings, and transmission parts.

The Restated consolidated financial information for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 were approved for issue in accordance with a resolution of the directors on August 29, 2026.

2. Basis of preparation and presentation of restated consolidated financial information:

Material accounting policies adopted by the Group are as under:

2.1 Basis of Preparation and presentation and statement of compliance

The Restated Consolidated Financial information of the Group comprise of restated consolidated statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024 respectively, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows, the restated consolidated statement of changes in equity for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 and the summary of material accounting policies and Other explanatory Information of the Group (collectively, the "Restated Consolidated Financial Information).

These Restated consolidated financial information have been prepared by the Management for the purpose of inclusion in the Red Herring Prospectus and prospectus (Collectively the offer document) to be filed with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Chandigarh at Chandigarh , National Stock Exchange of India Limited and BSE Limited prepared by the Company in connection with its proposed initial public offering IPO) of equity shares comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (collectively, the "Offering"). These Restated Consolidated Financial information have been prepared to comply in all material respects with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(ii) The Securities and exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "ICDR Regulations")

(iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

These restated consolidated financial information have been compiled, by the management from:

a) The audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2026 , March 31, 2025 and March 31, 2024 respectively prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meetings held on **August 29,** 2026, August 12, 2025 and July 16, 2024. The Restated Consolidated Financial information are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of Schedule III of the Companies Act 2013.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and March 31, 2024, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended March 31, 2026, as applicable.

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

These restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the consolidated financial statements.

The functional currency of the Group is the Indian rupee. These Restated Consolidated Financial information are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

Basis of Consolidation

The Restated Consolidated financial information comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at March 31, 2026, March 31, 2025 and March 31, 2024 in respective years. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affects its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee. Rights arising from other contractual arrangements.

- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group continues to control Hewland Engineering Limited, the Group has recorded non-controlling interest (NCI) for shares held by third parties. An agreement has been entered into with certain NCI holder, which provides for a put as well as a put option, exercisable at a price determined as per the terms of the agreement. The Group has concluded that it does not control these shares and hence has recorded these shares as part of the Group's NCI. The Group has determined that the triggering events for exercising the option under the agreement are not within the complete control of the Group and has thus recorded a call option liability at the present value of the expected future outflow, which is also the maximum amount, by debiting NCI reserve. Subsequent re-measurement of this liability is also recognised in the same head considering adjustments for transactions with NCI, that do not result in loss of control, are accounted for as equity transactions

The Restated Consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial information to ensure conformity with the Group's accounting policies.

The restated consolidated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on March 31, 2026, March 31, 2025 and March 31, 2024.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full).

Restated Consolidated Financial information of Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The details of the consolidated entities are as follows:

Name of the Entity	**Principal Activities**	**Date of acquisition / Incorporation**	**Relationship**	**Country of Incorporation**	**% of Holding**		
					March31, 2026	**March 31, 2025**	**March 31, 2024**
Hero Motors Thai Limited (HMTL)		September 20, 2023		Thailand	100%	100%	100%
Hewland Engineering Limited (HEL)		February 21, 2023		United Kingdom	51%	51%	51%
HYM Drive Systems Private Limited		April, 07,2022	Subsidiary	India	90%	90%	90%

Hero EDU Systems Private Limited(HESPL)	Manufacturer of auto component	February 17, 2023		India	100%	100%	100%
Spur Technology Private Limited		November 29, 2023		India	100%	100%	100%
Munjal STP Industries Private Limited		July 22,2025		India	51%	Nil	Nil

Note: Refer note Note 22 (10) and (11) for Hewland Call and put option.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities
-

2.2 Summary of Material accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b) Current versus non-current classification

The Group presents assets and liabilities in the Restated Consolidated Financial information of Assets and Liabilities based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held for primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 current when:

- It is expected to be settled in normal operating cycle
- It is held for primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of liability for at least twelve after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Property, plant and equipment ('PPE')

Recognition and measurement

Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

a) It is probable that future economic benefits associated with the item will flow to the entity, and
b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act , 2013 with the following exception :

- Leasehold land & Leasehold improvement has been amortised over the useful life of asset or lease term whichever is lower.
- Freehold Land is not depreciated.

Useful life considered for calculation for various assets class are as follows:

Asset Class	**Useful Life**
Building	25-60 years
Plant & Machinery	0 to 30 years
Furniture & Fixture	3 to 10 years
Office Equipment's	3 to 5 years
Vehicles	8 to 10 years
Computer	3 to 6 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates tools included in plant and equipment over estimated useful lives of 0 and 30 years which are different from the useful life

prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate (refer note 4).

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

d) Intangible assets

Acquired Intangible

Intangible assets that are acquired by the Group are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Intangible assets with finite lives are amortised over the useful life and these are 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

Specialized software are amortized over a period of 3 years or license period whichever is later.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.
An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

• the technical feasibility of completing the intangible asset so that it will be available for use or sale
• the intention to complete the intangible asset and use or sell it;
• the ability to use or sell the intangible asset;
• how the intangible asset will generate probable future economic benefits;
• the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
• the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference

between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Useful lives of intangible assets

Intangible assets, comprising of software, expenditure on websites, etc. incurred are amortised on a straight line method over a period of its useful life.

Internally generated intangibles are amortised over a period of 5 year.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

e) Inventories

Inventories are valued at the lower of cost and net realisable value.

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows;-

Raw Material	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.
Work in Progress	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Finished Goods	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Scrap	Net realisable value.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f) Retirement and other employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

During the year ended March 31, 2026, the Group revised its accounting policy for the presentation of the net interest component of defined benefit plans and have presented the same under Finance Costs instead of Employee Benefits Expense. Accordingly, comparative figures for the years ended March 31, 2025 and March 31, 2024 have been regrouped/reclassified to align with the current year's accounting policy. This change relates solely to presentation and has no impact on profit, earnings per share and net worth for any of the periods presented.

In respect to Subsidiary company i.e. Hewland Engineering Limited :

The Company operates a defined benefit pension scheme for eligible employees which was closed to future accrual on 31 May 2011. The assets were held separately from those of the Company. The pension scheme surplus or deficit is recognised in the Statement of financial position as a pension asset or liability as appropriate. Contributions to the scheme are paid according to a deficit reduction plan agreed with the Trustees. From 1 June 2011 these consist of deficit funding only. The overall expected rate of return of the plan assets has been based on the average expected return of each asset class, weighted by the amount of assets in each class. The scheme holds quoted securities which are valued at current bid price.
The Company contributes to money purchase pension schemes on behalf of eligible employees including from 1 June 2011, contributions previously made to the defined benefit scheme. Additional retirement benefits are provided for nominated employees through a money purchase executive benefit scheme. These schemes are administered independently, and the assets held separately from the Company. The premiums are charged to the profit and loss accounts.

Pensions:

The Defined Benefit pensions scheme liabilities are calculated using an independent actuarial valuation using the latest available tri-annual valuation and rolling this forward to the current reporting date.
The discount rate used is derived from a Broadstone Sterling AA Yield curve plus a determined margin to reflect the average term of the liabilities being longer than the duration of the index.
Inflation and pension increases assume the Bank of England implied inflation spot rate at a term consistent with the term of the liabilities less a factor to reflect supply and demand issues, CPI inflation is assumed to lag long term RPI inflation by a pre-determined factor.
Mortality assumptions are updated from the latest version of the CMI projection model and assumptions are made to determine the long term improvement rates and the proportion of members expected to be married at retirement.

c) Short term and other long term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the period when the employee renders the services. These benefits include salaries, wages, performance incentives and compensated absences.

The liability in respect of accumulated compensated absences is provided for on the basis of actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the year in which they occur.

d) Share - based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Constructive obligation is an obligation that derives from an entity’s actions where:

- by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and
- as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

h) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

i) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

j) Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.
Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

As per Ind AS 115, the Group determines whether there is a significant financing component in its contracts. However, the Group has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the Group does not account for a financing component. No long-term advances from customers are generally received by the Group.

Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with Ind AS 37.

The Group disaggregates revenue from contracts with customers by geography.

Sale of services

The Group recognises revenue from these contracts on satisfaction of performance obligation towards rendering of such services over time, as and when the services are rendered in accordance with the specific terms of contracts with customers. The Group’s performance obligation is limited to providing resources required for these services

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Disaggregated revenue information

The Group presents disaggregation of revenue from contracts with customers for the respective years by type of goods and services and timing of revenue recognition. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

k) Recognition of interest income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognized when the right to receive payment is established.
Claims receivables on account of insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

l) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are

measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

n) Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116:

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "
Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to the Group. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flow activities.

o) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

All financial assets are recognised initially at fair value plus except trade receivables where there is no significant financing component, are recorded at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.
Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.
Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVPL 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 FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group 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.

p) Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest Group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

q) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are

reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

r) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

a) changes during the period in operating receivables and payables transactions of a non-cash nature;

b) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

c) all other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

t) 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.

u) **Cash dividend**

The Group recognises a liability to pay dividend to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Earnings per share

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

w) Functional and presentation currency

The Financial Statements are presented in Indian Rupees, which is the functional, and presentation currency of the Company.

The items included in Financial Statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition
(in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their Statements of Profit and Loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. However, if exchange rates fluctuate significantly during the period, the exchange rates at the date of transactions are used. The resulting exchange differences arising on the translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Net Investment in Foreign Operations

When a monetary item forms part of the Group's net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the FCTR. Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.
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x) Fair value measurement

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement 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 and 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 liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

y) Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Basis of measurement

The Restated Consolidated Financial information have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments) (Refer accounting policy regarding financial instruments)	Fair value

The Company has prepared the Restated Consolidated Financial information on the basis that it will continue to operate as a going concern.

2.3 **Changes in accounting policies and disclosures**

Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. There is no such notification that would have been applicable from April 1, 2026.

Adoption of New and Revised Standards

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules from time to time. During the current year, the Company has applied the following amendments to Ind AS that are effective for annual reporting periods beginning on or after April 1, 2026.

Amendment to Ind AS 1 – Presentation of Financial Statements
Effective April 1, 2026, the amendment relates to the classification of liabilities as current or non-current and non-current liabilities with covenants. In classifying a liability as current, the amendment removes the requirement for the right to defer settlement for at least 12 months after the reporting date and instead requires that such right must exist and have substance as at the reporting date. The amendment also provides guidance on the classification of liabilities subject to covenants. The Company has assessed the impact of this amendment and concluded that it does not have any material impact on its financial statements.

Amendment to Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures
Effective April 1, 2026, the amendment to Ind AS 7 requires entities to disclose information about supplier finance arrangements, including their nature, carrying amount of liabilities, and payment terms, to enable users of financial statements to assess their effects on liabilities, cash flows, and exposure to liquidity risk. Correspondingly, Ind AS 107 has been amended to require additional disclosures regarding the impact of such arrangements on liquidity risk. Based on its assessment, the Company has determined that the amendment does not have any material impact on its financial statements.

Amendment to Ind AS 12 – International Tax Reform: Pillar Two Model Rules
The amendments provide a temporary mandatory exception from accounting for deferred taxes arising from Pillar Two top-up taxes and require entities to disclose that they have applied the exception. The amendments also introduce disclosure requirements relating to exposure to Pillar Two income taxes. These requirements apply for annual reporting periods beginning on or after April 1, 2026. The Company has reviewed the amendment and determined that it does not have any material impact on its financial statements.

Amendment to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
Effective April 1, 2026, the amendment clarifies how an entity should assess whether a currency is exchangeable and determine the exchange rate to use when exchangeability is lacking. The Company has evaluated the amendment and concluded that its adoption does not have any material impact on the disclosures or amounts recognized in these financial statements.

Standards issued but not yet effective
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1: The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non-current and require retrospective application in

accordance with Ind AS 8. These amendments are effective for reporting periods beginning on or after April 1, 2026. The Company will evaluate the impact of this amendment and implement the necessary changes in its financial reporting for periods commencing on or after the effective date.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Group sell goods, transportation and warranty services bundled together with sales of goods. The Group allocated the portion of the transaction price to goods basis on its relative standalone prices.

Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.
Further details about business combinations are given in note 51.
Non-Cumulative Compulsorily Convertible Preference Shares

The Group has issued Non-Cumulative Compulsorily Convertible Preference Shares which meets the fixed-to-fixed criteria at the date of issuance. The Group has assessed the terms the terms of such instruments and classified these as equity (Refer foot note (h) of note 21).

Impairment testing

The Group has reviewed its carrying value of long term investments in equity shares as disclosed in note 11 of Restated consolidated Financial information at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Determining lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate

the lease, if it is reasonably certain not to be exercised. The Group has some property lease arrangements with its holding Group that include option to terminate the contract by either party at any time by giving advance notice. The Group applied judgment in evaluating whether it is reasonably certain for both the parties to terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the parties to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful life of assets of (Property, plant and equipment)

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 Group's assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

Impairment of property, plant and equipment (PPE) and intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. It does not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment and intangible assets recognised by the Group.

Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Estimation of Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability the Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Government grant

During the period, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not and the period in which it will be received. Basis assessment, the Group has recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Group's management has determined that here are no factors which indicates that these assets have suffered any impairment loss

3.1 Climate – related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the Restated Consolidated Financial information. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are Useful life of property, plant and equipment and Impairment of non-financial assets.

Hero Motors Limited

CIN : U29299PB1998PLC039602

Restated Consolidated Statement of Cash Flows
(All amount in ₹ millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
A.	**Cash flows from operating activities**			
	Restated profit before tax	610.04	390.76	243.12
	Adjustments for:			
	Depreciation and amortisation	459.40	379.44	285.51
	Finance costs	338.41	304.95	230.01
	Other borrowing cost	69.97	64.89	104.12
	Net Foreign currency translation	13.26	3.00	(42.37)
	Provision/sundry balances written back	(1.91)	(20.03)	(30.01)
	Allowance for expected credit loss	0.43	-	-
	Unrealized foreign exchange gain / (loss)	(156.21)	(13.27)	8.51
	Loss/(profit) on sale of Property plant and equipment	(1.61)	(1.15)	(1.08)
	Exceptional items (refer note 41)			-
	Share based payment expenses	105.03	148.17	394.62
	Other non operating income	(0.02)	(0.90)	(0.30)
	Gain on termination of lease	(8.04)	-	(10.51)
	Mark to market gain on forward contract	(8.49)	(2.68)	(3.26)
	Profit on sale / fair valuation of mutual fund	(1.50)	(4.92)	(8.73)
	Interest income	(39.94)	(47.43)	(96.76)
	Operating cash flows before working capital change	**1,378.82**	**1,200.83**	**1,072.87**
	Working Capital adjustments:			
	(Increase) / decrease in trade receivables	(454.46)	(60.53)	555.53
	(Increase) / decrease in inventories	(172.56)	(113.59)	158.95
	(Increase) / decrease in other financial assets	(6.75)	(105.56)	193.43
	(Increase) / decrease in other assets	(246.08)	46.39	(234.56)
	Increase / (decrease) in trade payables	29.81	28.54	(92.61)
	Increase / (decrease) in other financial liabilities	957.03	(376.04)	(304.96)
	Increase / (decrease) in provisions	62.22	41.28	(3.15)
	Increase / (decrease) in other liabilities	31.68	(65.54)	67.58
	Cash generated from operations	**1,579.71**	**595.78**	**1,413.08**
	Income taxes paid (net)	(139.29)	(112.35)	(93.42)
	Net cash generated from operating activities (A)	**1,440.42**	**483.43**	**1,319.66**
	Cash flows from investing activities			
	Purchase of property, plant and equipment (Including Capital Work-in-progress, capital advances and capital creditors)	(758.39)	(1,312.58)	(1,126.71)
	Purchase of intangible assets and intangible assets under development	(164.12)	(211.39)	(201.66)
	Proceeds from sale of Property, plant and equipment	2.30	2.84	2.50
	Investment in debenture/shares		(14.40)	(3.81)
	(Investment in) / sale of mutual fund	0.01	50.07	94.99
	Loans given	(1.95)	(5.64)	(15.54)
	Interest received	45.19	61.89	85.44
	Rent received			-
	Increase / (decrease) in bank balance not considered as cash and cash equivalent	183.10	76.90	395.52
	Net cash flow from /(used in) investing activities (B)	**(693.86)**	**(1,352.31)**	**(769.27)**
	Cash flows from financing activities			
	Proceeds from long term borrowings	356.27	862.95	482.50
	Repayment of long term borrowings	(478.40)	(377.42)	(225.31)
	Proceeds from/(repayments) of short term borrowings (net)	(12.68)	548.04	82.32
	Payment of final / interim dividend	-	(94.21)	(93.57)
	Proceeds from issue of non-cumulative compulsory convertible preference shares	-		-
	Share issue expenses	(3.93)	(3.15)	(2.93)
	Proceeds from issue of equity shares	9.53	38.05	-
	Capital contribution from non-controlling interests	50.25	-	-
	Other borrowing cost	(69.97)	(64.89)	(104.12)
	Payment of principal portion of lease liabilities	(130.14)	(68.58)	(68.16)
	Payment of Interest portion of lease liabilities	(26.01)	(19.02)	(18.41)
	Interest expenses paid	(312.90)	(284.86)	(255.95)
	Net cash flow from/(used in) financing activities (C)	**(617.98)**	**536.91**	**(203.63)**

Hero Motors Limited

CIN : U29299PB1998PLC039602

Restated Consolidated Statement of Cash Flows
(All amount in ₹ millions, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Net Increase / (decrease) In cash and cash equivalents (A+B+C)	**128.58**	**(331.97)**	**346.76**
Cash and cash equivalents at the beginning of the year / period	94.48	422.61	75.58
Effect of exchange rate changes on cash and cash equivalents	0.86	3.84	0.27
Cash and cash equivalents of subsidiary acquired during the year /period	-	-	-
Total cash and cash equivalent (Note no. 19)	**223.92**	**94.48**	**422.61**
Components of cash and cash equivalents			
Cash, Cheque/drafts on hand	19.82	0.03	0.03
With banks - Current account	134.10	69.45	222.58
With banks - Deposit account	70.00	25.00	200.00
Total cash and cash equivalent (Note no. 19)	**223.92**	**94.48**	**422.61**

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows :

Balance sheet caption	Statement of cash flows line item	As at April 1, 2025	Cash Flows	Non Cash Changes			As at March 31, 2026
				Forex	Interest Expenses	Others	
Borrowings	Proceeds / repayments of borrowings (including short	4,076.22	(134.81)	66.46	-	-	4,007.89
Lease liability	Payment / proceed from lease liability	240.17	(156.14)	-	26.01	588.24	698.28
Interest paid	Interest paid	5.37	(312.90)	-	312.40	-	4.87

Balance sheet caption	Statement of cash flows line item	As at April 1, 2024	Cash Flows	Non Cash Changes			As at March 31, 2025
				Forex	Interest Expenses	Others	
Borrowings	Proceeds / repayments of borrowings (including short	3,039.98	1,033.58	2.69	-	-	4,076.22
Lease liability	Payment / proceed from lease liability	299.93	(87.61)	-	19.02	8.82	240.17
Interest paid	Interest paid	4.30	(246.23)	-	247.30	-	5.37

Balance sheet caption	Statement of cash flows line item	As at April 1, 2023	Cash Flows	Non Cash Changes			As at March 31, 2024
				Forex	Interest Expenses	Others	
Borrowings	Proceeds / repayments of borrowings (including short	2,696.10	339.51	4.37	-	-	3,039.98
Lease liability	Payment / proceed from lease liability	150.25	(86.57)	-	18.41	217.84	299.93
Interest paid	Interest paid	48.65	(255.95)	-	211.60	-	4.30

Notes :
The Statement of Cash Flows has been prepared in accordance with 'indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under section 133 of Companies Act, 2013 read with relevant rules issued thereunder.

The accompanying material accounting policies and notes form an integral part of the Restated Consolidated Financial Information 1-74

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
Place : Gurugram

For and on behalf of Board of Directors of
Hero Motors Limited

Abhishek Munjal
Whole Time Director
(DIN: 05355274)
Place:

Amit Gupta
Managing Director and Chief Executive Officer
(DIN: 02997032)
Place:

Utkarsh Sanghi
Chief Financial Officer
Place : Noida, India

Sakshi Dureja
Company Secretary and Compliance Officer
(Membership No. 70710)
Place : Noida, India

4 Property, Plant and Equipment

	Particulars	Freehold land	Leasehold improvements	Buildings	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Computer	Total
I	**Cost / deemed cost**									
	As at April 1, 2023	**46.07**	**64.13**	**547.95**	**3,410.11**	**184.88**	**24.82**	**169.01**	**40.80**	**4,487.77**
	Add: Additions made during the year	228.20	53.75	47.03	891.34	14.08	7.19	6.33	25.96	1,273.88
	Less: (Disposals)/adjustments during the year	-	(60.31)	60.31	(39.53)	(0.15)	(2.63)	0.42	(1.12)	(43.01)
	Translation difference during the year	-	(1.32)	-	20.94	5.11	-	5.09	(0.31)	29.51
	Balance as at March 31, 2024	**274.27**	**56.25**	**655.29**	**4,282.86**	**203.92**	**29.38**	**180.85**	**65.33**	**5,748.15**
	Add: Additions made during the year	15.10	148.14	76.14	1,305.95	5.82	1.32	19.36	8.43	1,580.26
	Less: (Disposals)/adjustments during the year	-	-	-	(12.02)	-	(5.68)	(3.00)	(1.49)	(22.19)
	Translation difference during the year		7.81		133.47	9.27		9.02	1.13	160.70
	Balance as at March 31, 2025	**289.37**	**212.20**	**731.43**	**5,710.26**	**219.01**	**25.02**	**206.23**	**73.40**	**7,466.92**
	Add: Additions made during the year	0.68	0.42	10.16	476.00	0.56	-	4.50	10.02	502.34
	Less: (Disposals)/adjustments during the year	-	-	-	(4.85)	-	-	-	-	(4.85)
	Translation difference during the year	-	23.10	-	303.39	24.41	-	24.73	2.12	377.75
	Balance as at March 31, 2026	**290.05**	**235.72**	**741.59**	**6,484.80**	**243.98**	**25.02**	**235.46**	**85.54**	**8,342.16**
II	**Accumulated depreciation**									
	As at April 1, 2023	**-**	**47.66**	**28.71**	**1,536.72**	**138.21**	**4.46**	**146.10**	**14.57**	**1,916.43**
	Add: Depreciation charge for the year	-	4.77	23.36	167.61	7.65	3.64	7.10	12.75	226.88
	Less: (Disposals)/adjustments during the year	-	(46.92)	46.92	(38.60)	-	(1.54)	(0.39)	(1.06)	(41.59)
	Translation difference during the year	-	(0.06)	-	34.32	4.46	-	4.68	(0.03)	43.37
	Balance as at March 31, 2024	**-**	**5.45**	**98.99**	**1,700.05**	**150.32**	**6.56**	**157.49**	**26.23**	**2,145.09**
	Add: Depreciation charge for the year	-	17.55	25.97	229.26	8.21	3.68	8.51	15.32	308.50
	Less: (Disposals)/adjustments during the year	-	0.03	(0.03)	(11.62)	-	(4.62)	(2.85)	(1.41)	(20.50)
	Translation difference during the year	-	0.83	-	63.26	7.77	-	8.11	0.16	80.13
	Balance as at March 31, 2025	**-**	**23.86**	**124.93**	**1,980.95**	**166.30**	**5.62**	**171.26**	**40.30**	**2,513.22**
	Add: Depreciation charge for the year	-	21.34	31.37	250.94	8.78	3.52	10.64	14.28	340.87
	Less: (Disposals)/adjustments during the year	-	-	-	(4.16)	-	-	-	-	(4.16)
	Translation difference during the year	-	3.84	-	171.80	20.95	-	21.97	0.58	219.14
	Balance as at March 31, 2026	**-**	**49.04**	**156.30**	**2,399.53**	**196.03**	**9.14**	**203.87**	**55.16**	**3,069.07**
III	**Net carrying amount (I-II)**									
	As at March 31, 2024	**274.27**	**50.80**	**556.30**	**2,582.81**	**53.60**	**22.82**	**23.36**	**39.10**	**3,603.06**
	As at March 31, 2025	**289.37**	**188.34**	**606.50**	**3,729.31**	**52.71**	**19.40**	**34.97**	**33.10**	**4,953.70**
	As at March 31, 2026	**290.05**	**186.68**	**585.29**	**4,085.27**	**47.95**	**15.88**	**31.59**	**30.38**	**5,273.09**

Note :

a) Refer note 23 and 24 for property, plant and equipment pledged/ hypothecated as security for borrowing by the group.

b) Refer note 43 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) In respect of Parent Company, during the year ended March 31, 2024, the management has reassessed useful life of Plant and machineries based on technical evaluation carried at by management expert which is higher than as specified by Schedule II to the Companies Act , 2013,in order to reflect the actual usage of the assets. This has resulted in decrease in depreciation expenses by ₹ 39.20 millions.

d) The group has capitalized depreciation amounting to ₹ Nil (March 31, 2025 ₹ 1.54 millions and March 31,2024 Nil) in Hero EDU Systems Private Limited.

e) Refer note 71 for acquisition of land during the year ended March 31, 2024

f) The Group has not revalued its property, plant and equipment as on each reporting period and therefore schedule III disclosure with respect to fair value details is not applicable.

5 Capital work in progress

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	380.99	596.03	686.36
Add: Addition made during the year	741.49	1,145.80	800.07
Less: transferred to Property, plant & equipment during the year	(472.48)	(1,365.24)	(875.80)
Translation difference	16.49	4.40	(14.60)
	666.49	**380.99**	**596.03**

The Group has capitalised following expenses to the cost of Property, plant and equipment / capital work in progress in relation to projects.

	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	125.98	136.57	78.76
Employee benefit expenses	123.07	86.19	110.08
Contract labour charges	0.58	1.07	11.42
Finance cost	16.09	27.16	45.69
Other expenses	0.86	24.29	71.36
Translation difference	-	-	3.83
	266.58	**275.28**	**321.14**
less: Allocated to Property plant and equipment	(62.84)	(149.30)	(184.57)
Closing balance pre-operative expenses included under Capital work in progress	**203.74**	**125.98**	**136.57**

Ageing schedule of CWIP as at March 31, 2026:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	430.27	171.55	62.25	2.42	666.49
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2025:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	277.54	95.64	7.81	-	380.99
Projects temporarily suspended	-	-	-	-	-

Ageing schedule of CWIP as at March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	571.93	24.10	-	-	596.03
Projects temporarily suspended	-	-	-	-	-

Note:
Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.

6 Goodwill

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	79.73	79.73	79.73
Goodwill on acquisitions*			-
Balance at the end of the year	**79.73**	**79.73**	**79.73**

Note*
On September 23, 2022, the Parent Company has acquired 32% share in Hewland Engineering Limited from Hero International B.V. pursuant to which Hewland Engineering Limited has become an associate of Hero Motors Limited; On February 21, 2023 Hero Motors Limited has made further investment directly in the shares of Hewland Engineering Limited and increased its stake to 51%; post which the Hewland Engineering Limited has became subsidiary of the Parent Company.

Assets acquired and liabilities assumed of Hewland Engineering Limited as at March 31, 2023 is as below :

Particulars	As at March 31,2023
Total Assets (A)	766.73
Total Liability (B)	1,057.17
Identifiable net assets at fair value (A-B)	(290.44)
Fair value of net assets	**(290.44)**
Less : Non-controlling interest measured at fair value	(142.32)
Net asset for holding	**(148.12)**
Purchase Consideration	**1.01**
Goodwill arising on acquisition	**149.13**
Adjusted through other equity*	(69.40)
Goodwill Recognized	**79.73**

Impairment analysis

The Group reviewed the carrying amount of Goodwill to determine whether there is any indication of impairment and has determined that there are no impairment indicators as at 31 March 2026 . The Group consider relationship between recoverable value which is calculated based on future discounted cash flows/net sales, as applicable and its book value among other factors when reviewing for indicators of impairment

Hewland- Powertrain

The recoverable amount of this segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

Growth rates: The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average long term growth rates used were consistent with industry to 2%.

Discount rates: Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

Statement of profit and loss

Particulars	For the period ended September 1, 2022 to March 31, 2023*
Turnover	719.65
Cost of sales	(574.55)
Gross Profit	**145.10**
Administrative expenses	(212.09)
Other operating income	7.66
Other Operating cost	**(204.43)**
Operating Loss	**(59.33)**
Interest receivable and similar income	0.09
Interest payable and similar expenses	(13.31)
Other finance income	(8.84)
Loss on ordinary activities before taxation	**(81.39)**
Taxation on loss from ordinary activities	30.62
(Loss)/profit for the financial period	**(50.77)**
Other comprehensive income for the period	
Actuarial (losses)/gains on defined benefit pension scheme	**(166.09)**
Other comprehensive income for the period	**(166.09)**
Total comprehensive (loss)/income for the period	**(216.86)**

Note : The restated consolidated statement of profit and loss includes share of loss of the Group in its associates Hewland Engineering Limited i.e. 32% of ₹ 216.86 million i.e.₹ 69.40 million for the period from September 2022 to March 31, 2023 (considering additional impact of 19% due to consolidation during the period February 20 , 2023 to March 31, 2023 is immaterial).

The Break up share of loss considered in profit and loss statement of parent company is as follows :	Amount
Disclosed in profit and loss	(16.25)
Disclosed in other comprehensive income	(53.14)
Total	**(69.39)**

The Goodwill of ₹ 79.73 million comprises the fair value of expected synergies arising from acquisitions. Goodwill is allocated to the acquired business as a whole. None of the Goodwill recognized is deductible for income tax purposes.

* The Group adjusted its share of profit and other comprehensive income against the goodwill on the date it became subsidiary from associate.

The Group has not identified any intangible assets and recognised goodwill as per Ind AS 103 - Business Combination.

7 Right of Use Assets

Below are the carrying amounts of right to use assets and lease liabilities and the movements during the year / period. The Group's leased assets consists of leases for land and building.

	Particulars	Building	Land	Total
I	**Cost**			
	Balance as at April 1, 2023	**-**	**202.37**	**202.37**
	Additions during the year	85.05	235.74	320.79
	Derecognition of right-of-use assets during the year#	-	(113.27)	(113.27)
	Translation difference	-	1.11	1.11
	Balance as at March 31, 2024	**85.05**	**325.95**	**411.00**
	Additions during the year	-	-	-
	Adjustment during the year	-	-	
	Derecognition of right-of-use assets during the year*	(6.01)	-	(6.01)
	Translation difference	-	14.93	14.93
	Balance as at March 31, 2025	**79.04**	**340.88**	**419.92**
	Additions during the year	-	602.61	602.61
	Adjustment during the year	-	(156.34)	(156.34)
	Derecognition of right-of-use assets during the year**	-	-	-
	Translation difference	-	54.42	54.42
	Balance as at March 31, 2026	**79.04**	**841.57**	**920.61**
II	**Accumulated depreciation**			
	Balance as at April 1, 2023	**-**	**15.38**	**15.38**
	Charge for the year	-	50.08	50.08
	Adjustment during the year	2.90	4.51	7.41
	Derecognition of right-of-use assets during the year#	-	(16.98)	(16.98)
	Translation difference	-	0.36	0.36
	Balance as at March 31, 2024	**2.90**	**53.35**	**56.25**
	Charge for the year	8.79	51.41	60.20
	Adjustment during the year	1.52	2.43	3.95
	Derecognition of right-of-use assets during the year*	(2.98)	-	(2.98)
	Translation difference	-	3.90	3.90
	Balance as at March 31, 2025	**10.23**	**111.09**	**121.32**
	Charge for the year	8.80	57.93	66.73
	Adjustment during the year	-	(4.48)	(4.48)
	Derecognition of right-of-use assets during the year**	-	(100.75)	(100.75)
	Translation difference	-	11.09	11.09
	Balance as at March 31, 2026	**19.03**	**74.88**	**93.91**
III	**Net carrying amount (I-II)**			
	As at March 31, 2024	**82.15**	**272.60**	**354.75**
	As at March 31, 2025	**68.81**	**229.79**	**298.60**
	As at March 31, 2026	**60.01**	**766.69**	**826.70**

*During the year March 31, 2026, the lease agreement for building in one of the subsidiary (Hewland Engineering Limited) has been renewed, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income'.

**During the year ended March 31, 2025, the lease agreement for building in one of the subsidiary (Hero EDU Systems Private Limited) has been terminated, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' and adjusted with pre-operating expense.

8 Lease liabilities

Particulars	Building	Leasehold land	Total
Balance as at April 1, 2023	**-**	**150.25**	**150.25**
Recognised during the year	85.00	235.74	320.74
Finance cost accrued during the year	1.53	19.64	21.17
Payment of lease liabilities	(1.55)	(85.02)	(86.57)
Deletion of lease liability#	-	(106.81)	(106.81)
Translation differences	-	1.15	1.15
Balance as at March 31, 2024	**84.98**	**214.95**	**299.93**
Recognised during the year	-	-	-
Finance cost accrued during the year	7.37	13.46	20.83
Payment of lease liabilities	(11.12)	(76.49)	(87.61)
Deletion of lease liability*	(3.29)	-	(3.29)
Adjustment during the year	-	(1.92)	(1.92)
Translation differences	-	12.23	12.23
Balance as at March 31, 2025	**77.94**	**162.23**	**240.17**
Recognised during the year	-	527.23	527.23
Finance cost accrued during the year	6.69	19.32	26.01
Payment of lease liabilities	(11.49)	(68.24)	(79.73)
Deletion of lease liability**	-	(60.16)	(60.16)
Translation differences	-	44.77	44.77
Balance as at March 31, 2026	**73.14**	**625.15**	**698.29**

Particulars	Current	Non - current
As at March 31, 2024	**66.63**	**233.30**
As at March 31, 2025	**58.85**	**181.32**
As at March 31, 2026	**47.30**	**650.99**

Other Disclosures

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense on right-of-use assets (Refer note 38)	66.73	60.20	50.08
Interest expense on lease liabilities (Refer note 37)	26.01	19.02	18.41
Expense relating to short-term leases (Refer note 39)	30.97	29.95	25.30
Total Cash outflow for leases	79.73	87.61	86.57

Note:

a) The effective discount rate for lease liabilities is 5.25% - 9.00% p.a.

b) The leases generally have lease terms of 2 - 15 years. The Groups's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or sub leasing the leased

c) Refer note 47 for maturity analysis of lease liabilities .

d) # Refer Note 71.

e) The group has capitalized finance cost March 31, 2026 : ₹ Nil ,March 31, 2025 : ₹ 1.81 millions and March 31, 2024 ₹ Nil in subsidiary of Hewland Engineering Limited.

f) **During the year March 31, 2026, the lease agreement for building in one of the subsidiary (Hewland Engineering Limited) has been amended, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' in statement of Restated Consolidated Statement of Profit and Loss.

g) *During the period March 31, 2025, the lease agreement for building in one of the subsidiary (Hero EDU Systems Private Limited) has been terminated, net gain on account of cancellation of building lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' and adjusted with pre-operating expense.

9 Other intangible assets

Particulars	Computer software	Development cost (Motor design and Kit)	Websites	Trademarks / Labels	Total
I Cost / deemed cost					
Gross carrying amount					
As at April 1, 2023	**31.60**	**10.52**	-	**4.47**	**46.59**
Add: Additions during the year	9.79	11.04	0.55	0.22	21.60
Less: (Disposals) / adjustments during the year	0.47	-	-	(0.59)	(0.12)
Balance as at March 31, 2024	**41.86**	**21.56**	**0.55**	**4.10**	**68.07**
Add: Additions during the year	6.91	98.23	-	-	105.13
Less: (Disposals) / adjustments during the year	-	-	-	-	-
Balance as at March 31, 2025	**48.77**	**119.79**	**0.55**	**4.10**	**173.20**
Add: Additions during the year	13.95	153.26	-	-	167.21
Less: (Disposals) / adjustments during the year	-	-	-	-	-
Balance as at March 31, 2026	**62.72**	**273.05**	**0.55**	**4.10**	**340.41**
II Accumulated amortisation					
As at April 1, 2023	**6.75**	**0.21**	-	**0.16**	**7.12**
Add: Amortisation charge for the year	6.26	1.86	0.01	0.42	8.55
Less: (Disposals) / adjustments during the year	(0.06)	-	-	(0.06)	(0.12)
Balance as at March 31, 2024	**12.95**	**2.07**	**0.01**	**0.52**	**15.55**
Add: Amortisation charge for the year	7.65	4.18	0.07	0.43	12.32
Less: (Disposals) / adjustments during the year	-	-	-	-	-
Balance as at March 31, 2025	**20.60**	**6.25**	**0.08**	**0.95**	**27.87**
Add: Amortisation charge for the year	9.83	41.45	0.07	0.45	51.80
Less: (Disposals) / adjustments during the year	-	-	-	-	-
Balance as at March 31, 2026	**30.43**	**47.70**	**0.15**	**1.40**	**79.67**
III Net carrying amount balance (I-II):					
As at March 31, 2024	**28.91**	**19.49**	**0.54**	**3.58**	**52.52**
As at March 31, 2025	**28.17**	**113.54**	**0.47**	**3.15**	**145.33**
As at March 31, 2026	**32.29**	**225.35**	**0.40**	**2.70**	**260.74**

Note: The group has capitalized amortisation amounting to March 31, 2026 ₹ Nil, March 31, 2025 ₹ 0.03 millions and March 31, 2024 ₹ Nil in one of the subsidiary Hero EDU Systems Private Limited.

10 Intangible assets under development (IAUD)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	286.35	180.06	-
Add: Addition made during the year	158.94	204.52	180.06
Less: (Disposals)/adjustments during the year	(162.03)	(98.23)	-
Balance at the end of the year	**283.26**	**286.35**	**180.06**

a) Pre-Operative Expenses - Intangible assets under development (IAUD):

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	270.43	173.56	-
Employee benefit expenses	104.67	102.27	135.54
Finance cost	-	0.29	3.87
Other common expenses	54.27	92.54	37.21
Pre-Operative expenses pending allocation	**429.37**	**368.66**	**176.62**
Less: Sale of trial run production	(162.03)	(98.23)	(3.06)
Total Pre-operative expenses pending allocation	**267.34**	**270.43**	**173.56**

Ageing schedule of intangible assets under development as at March 31, 2026:

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	158.95	124.31	-	-	**283.26**
Projects temporarily suspended	-	-	-	-	**-**

Ageing schedule of intangible assets under development as at March 31, 2025:

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	204.53	81.82	-	-	**286.35**
Projects temporarily suspended	-	-	-	-	**-**

Ageing schedule of intangible assets under development as at March 31, 2024:

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	180.06	-	-	-	**180.06**
Projects temporarily suspended	-	-	-	-	**-**

Note
i) Intangible assets under development related to below entities:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
HYM Drive System Private Limited	85.94	70.51	32.63
Hero EDU System Private Limited	197.32	206.29	147.30
Hero Motors Limited	-	9.55	0.13
Total	**283.26**	**286.35**	**180.06**

Project execution plans are modulated on an annual basis following a detailed assessment of requirements. All projects are undertaken in accordance with a rolling annual plan.

Note:

1 The Group, through its subsidiary Hero EDU Systems Private Limited ("EDU"), has expanded its operations into the assembly of integrated electric drive systems comprising motors, batteries and controllers under the 'ESYNC' brand. These systems are used in e-bikes and electric two-wheelers and significantly influence the performance and functionality of such applications.

As at March 31, 2026, the carrying amount of capitalized intangible assets relating to these projects was ₹1,828.37 lakhs, while Intangible Assets Under Development (IAUD) amounted to ₹1973.05 lakhs.

Project capitalized under intangible assets *	**Project capitalized Intangible Assets Under Development (IAUD) #**
IS UART 7.8 Ah	EN CAN Lightweight (Aikema) /Xgen II E-System
IS UART 10.4 Ah	EN CAN Lightweight (Xneo)
X, Found Kit	H Pro Model (SinS)(L3 Kit EDU)
IS UART 5.8 Ah	
IS UART 6.4 Ah	L5 Kit EDU
EN CAN Urban	

* Project capitalized in the previous financial year and commercial production commenced during the current year

projects classified under IAUD, EDU has received confirmed customer orders for certain products subsequent to the reporting date and continues to engage with prospective customers while pursuing additional orders from the market.

Based on the commencement of commercial production for the capitalized projects, confirmed customer orders received, progress achieved in the development of the remaining projects, and management's assessment of the expected future economic benefits from these assets, the component believes that the carrying amount of the capitalized intangible assets and intangible assets under development is recoverable. Accordingly, management has not identified any indicators of impairment as at March 31, 2026 that would require an impairment assessment or recognition of an impairment loss under Ind AS 36.

2 The Group, through its subsidiary HYM Drive Systems Private Limited is engaged in the design, validation, and manufacture of electric drive motors for two-wheelers. The Component operates a state-of-the-art motor manufacturing facility equipped with advanced assembly lines designed to Japanese quality standards, in-house motor winding capabilities, comprehensive end-of-line testing facilities, and the ODIN software system to ensure complete product traceability.

As at March 31, 2026, certain withdrawal provisions under the Shareholders' Agreement between Hero Motors Limited (holding 90% equity interest) and Yamaha Motor Co., Ltd. (holding 10% equity interest) were triggered as a result of (i) the accumulated losses of the Company exceeding two-thirds of its net worth and (ii) the Company incurring losses for three consecutive financial years.

However , the shareholders have confirmed their continued financial and operational support to the Component and their intention to sustain the arrangement for a period of at least twelve months from the date of approval of these financial statements. Based on such support and the business plans of the component, management has concluded that the component will continue as a going concern.

As at March 31, 2026, the carrying amount of capitalized intangible assets relating to these projects was ₹486.99 lakhs, while Intangible Assets Under Development (IAUD) amounted to ₹859.43 lakhs. The net worth of HYM as at March 31, 2026 was ₹1,625.55 lakhs (March 31, 2025: ₹2,112.38 lakhs).

Project capitalized under intangible assets *	**Project capitalized Intangible Assets Under Development (IAUD) #**
L-3 (H-Pro (1.2 KW))	Ultra Low Weight
	X-Lite
Thermal Sensor	Wheel Chair
	H-Eco (1.2 KW)
Cassette Design	H-Pro Max (I) (1.5 KW) Long
	H-Pro Max (I) (1.5 KW) Short

*capitalized in the previous financial year and commercial production commenced during the current year.

Projects classified under IAUD, HYM has received confirmed customer orders for certain products subsequent to the reporting date and continues to engage with prospective customers while pursuing additional orders from the market.

Based on the commencement of commercial production for the capitalized projects, confirmed customer orders received, progress achieved in the development of the remaining projects, and management's assessment of the expected future economic benefits from these assets, the Company believes that the carrying amount of the capitalized intangible assets and intangible assets under development is recoverable. Accordingly, management has not identified any indicators of impairment as at March 31, 2026 that would require an impairment assessment or recognition of an impairment loss under Ind AS 36, Impairment of Assets. The company expects to generate revenue and profit starting financial year 2026-27 and thus investment is considered to be good and recoverable.

11 Investment

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Non- Current			
I) Investments in equity shares of others - (unquoted)			
(valued at fair value through other comprehensive income)			
a) AMP Solar Urja Private Limited	1.51	1.51	1.51
1,51,200 equity shares (March 31, 2025: 1,51,200; March 31, 2024: 1,51,200) of ₹ 10 each fully paid up			
b) Ludhiana Advanced Centre For Cycle Technology	0.50	0.50	0.50
50,000 equity shares (March 31, 2025: 50,000; March 31, 2024: 50,000) of ₹ 10 each fully paid up			
c) AMP Energy Green Thirteen Private Limited	1.44	1.44	-
1,44,000 equity shares (March 31, 2025: 1,44,000; March 31, 2024: Nil) of ₹ 10 each fully paid up			
II) Investments in debenture of others - (unquoted)			
(valued at fair value through other comprehensive income)			
a) AMP Solar Urja Private Limited	13.61	13.61	13.61
13,608 Debentures (March 31, 2025: 13,608 ; March 31, 2024: 13,608) of ₹ 1000 each fully paid up			
b) AMP Energy Green Thirteen Private Limited	12.96	12.96	-
12,960 Debentures (March 31, 2025: 12,960 ; March 31, 2024: Nil) of ₹ 1000 each fully paid up			
The Compulsory convertible debenture shall be entitled to Interest at rate of 0.01% per annum. Interest shall be due and receivable at the end of every financial year.			
	30.02	**30.02**	**15.62**
i) Aggregate value of unquoted investments	30.02	30.02	15.62

12 Investment Others

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Current			
Investments in debentures measured at fair value through profit or loss			
Quoted investments			
Investments in mutual funds measured at fair value through profit or loss			
Quoted investments			
Aditya Birla Sun Life Liquid Fund	11.55	10.80	47.95
19,746.73 (March 31, 2025 : 19,746.73;March 31, 2024 : 1,23,036.20) market linked Mutual Fund			
HDFC Liquid Fund	-	-	18.81
Nil (March 31, 2025 : Nil; March 31, 2024 : 3,965.44) market linked Mutual Fund			
Invesco India Arbitrage Fund - Direct Plan Growth			
3,18,689.11 (March 31, 2025 : 3,18,689.11;March 31, 2024 : Nil) market linked Mutual Fund	11.55	10.81	-
	23.10	**21.61**	**66.76**
a) Aggregate book value of quoted investments	23.10	21.61	66.76
b) Aggregate market value of quoted investments	23.10	21.61	66.76
c) The number of units in note above represents absolute numbers.			

13 Loans measured at amortized cost

Particulars	Non - Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)			
Loans to employees*	17.00	13.63	13.11
	17.00	**13.63**	**13.11**

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)			
Loans to employees*	9.72	11.14	6.02
	9.72	**11.14**	**6.02**

a) The Group has no loans which have significant increase in credit risk and loans which are credit impaired.
* Loan to employees is repayable in 1-4 years.

14 Other financial assets- at amortised cost

Particulars	Non - Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good			
i. Interest accrued but not due			
- Margin money *	-	-	25.17
ii.Interest accrued and due on deposit			
- On security deposits	-	-	0.39
iii.Others			
Security deposits-others (electricity, rent and others)	49.05	49.76	48.35
	49.05	**49.76**	**73.91**

Other financial assets-at amortized cost

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good			
i. Interest accrued but not due			
- Margin money *	3.84	9.64	-
ii.Interest accrued and due on deposit			
Interest accrued and due on deposit with Punjab State Power Corporation Limited	2.01	1.46	-
iii.Others			
In deposit accounts (with remaining maturity of less than twelve months)(refer note Below)	6.11	6.00	15.53
Security deposits -others (electricity, rent and others)	0.03	0.05	0.77
Other receivables (refer note 'c' below)	304.88	297.49	182.19
At fair value through profit and loss			
Forward contract receivable	14.44	5.95	3.26
	331.31	**320.59**	**201.75**

Note:

a. There is no loss allowance in relation to any outstanding balance and no loss allowance has been recognised during the year in respect to receivables from related party.

b. Spur Technologies Private Limited- Lien is marked with sales tax department at the time of VAT registration

c.Other receivable includes accrual for rate difference which is receivable by the group from various vendors pursuant to agreement with them.

* Includes ₹3.47 millions (March 31, 2025 ₹ : 3.59 millions, March 31,2024 : ₹ 3.49 millions) against lien for letter of credit and bank guarantee with Axis bank limited and State bank of India, and ₹ 0.38 millions (March 31, 2025 : ₹ 6.68 millions , March 31, 2024 : ₹ 21.68 millions) against non-lien margin money.

d.Parent Company- Balances with Banks held as Margin Money Deposits against Bank Guarantee and Letter of Credit issued by Axis Bank.

15 Non current tax asset

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Advance income tax Net of provision of ₹ 246.09 millions (March 31, 2025 : ₹ 197.12 millions, March 31, 2024 : ₹ 52.90 millions)	50.32	125.39	90.46
	50.32	**125.39**	**90.46**

16 Other assets

Particulars	Non - Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good, unless otherwise stated)			
(i) Capital advances	66.67	83.45	173.74
Unsecured, considered good	**66.67**	**83.45**	**173.74**
(ii) Balances with government authorities			
Goods and services tax, value added tax and custom duty recoverable	-	22.37	0.35
Amount deposit under protest	-	-	-
	-	**22.37**	**0.35**
(iii) Others			
Export incentive receivable			
Other Receivables	-	-	-
Prepaid expenses	0.26	0.01	0.08
	0.26	**0.01**	**0.08**
	66.93	**105.83**	**174.17**

Other assets

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good, unless otherwise stated)			
(i) Balances with Government authorities			
Amount deposit under protest	2.81	-	-
Goods and service tax, value added tax and custom duty recoverable	226.21	112.65	125.26
	229.02	**112.65**	**125.26**
(iii) Others			
Export incentive receivable	79.52	33.08	20.38
Prepaid expenses	73.53	42.53	39.42
Share issue expenses recoverable*	181.33	126.08	23.20
Advances to employees	2.37	4.12	4.26
Advances to suppliers	91.00	70.17	54.55
Advances -others	0.06	-	23.20
Advances to related party (Refer note 23)	-	-	166.70
	427.81	**275.98**	**331.71**
	656.83	**388.63**	**456.97**

* The Parent Company incurred and recognised expenses towards proposed Initial Public Offering of its equity shares based on the invoices accounted and accrued for the year ended March 31,2026 , March 31, 2025 and March 31, 2024.The Parent Company expects to recover certain amounts from the selling share holders and the balance amount would be netted -off to securities premium account in accordance with Section 52 of the Companies Act, 2013 on issue of shares (Refer Note 70).

17 Inventories

(Valued at lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Raw materials (refer note i (a) below)	682.46	447.38	370.96
Work in progress (WIP)	325.61	387.88	383.54
Finished goods (refer note i (b) below)	774.47	844.33	866.34
Stock-in-trade	49.07	32.52	6.40
Stores and spares	251.71	197.51	167.03
Scrap	1.81	2.95	4.71
Total	**2,085.13**	**1,912.57**	**1,798.98**

Notes:

(i) Includes goods in transit:

(a) Raw material	38.49	22.77	19.60
(b) Finished goods	378.72	517.31	507.90
	417.21	**540.08**	**527.50**

Note: The cost of inventories recognised as an expense in March 31, 2026 ₹ 6,928.87 million ,March 31, 2025 ₹ 6,374.31 million and March 31, 2024 ₹ 6,450.16 .

18 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Secured, considered good			
- Others	-	-	-
Unsecured considered good			
- Others	2,529.02	2,023.31	1,947.87
Unsecured, credit impaired			
- Others	0.43	0.26	0.74
Less: Allowance for receivables (credit impaired)	(0.43)	(0.26)	(0.74)
Total	**2,529.02**	**2,023.31**	**1,947.87**

The group's exposure to credit and current risk and losses allowance related to trade receivables are disclosed in note 47.

b) Trade receivables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	2,504.74	8.79	15.27	0.22	-	**2,529.02**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	**-**
(iv) Dispute trade receivables considered good	-	-	-	-	-	**-**
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed trade receivables – credit impaired	0.39	0.00	0.04	-	-	**0.43**
Less: allowances for expected credit loss	(0.39)	(0.00)	(0.04)	-	-	**(0.43)**
Net Trade receivables	**2,504.74**	**8.79**	**15.27**	**0.22**	**-**	**2,529.02**

b) Trade receivables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,951.61	8.76	0.68	62.26	-	**2,023.31**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	**-**
(iv) Dispute trade receivables considered good	-	-	-	-	-	**-**
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed trade receivables – credit impaired	-	-	0.08	0.18		**0.26**
Less: allowances for expected credit loss	-	-	(0.08)	(0.18)		**(0.26)**
Net Trade receivables	**1,951.61**	**8.76**	**0.68**	**62.26**	**-**	**2,023.31**

b) Trade receivables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,879.01	6.02	62.84	-	-	**1,947.87**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	**-**
(iv) Dispute trade receivables considered good	-	-	-	-	-	**-**
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed trade receivables – credit impaired	-	-		-	0.74	**0.74**
Less: allowances for expected credit loss	-	-	-	-	(0.74)	**(0.74)**
Net Trade receivables	**1,879.01**	**6.02**	**62.84**	**-**	**-**	**1,947.87**

* Includes unbilled and not due.

Note:

A) For trade receivables or any contractual right to receive cash that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses (ECL). Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. The Group follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

a) The movement in the allowance for expected credit loss allowance is as follows:	**As at March 31, 2026**	**As at March 31, 2025**	**As at March 31, 2024**
Balance as at beginning of the year / period	**0.26**	**0.74**	**-**
Loss allowances during the year /period	0.43	0.08	0.74
Trade receivables written off / written back during the year	(0.26)	(0.56)	-
Balance as at the end of the year /period	**0.43**	**0.26**	**0.74**

a) Trade receivables from domestic customers are generally on terms of 45- 60 days (March 31, 2025: 45-60 days; March 31, 2024: 45-60 days).

b) Trade receivables from export customers are generally on terms of 30-75 days (March 31, 2025: 30-75 days; March 31, 2024: 30-75 days).

c) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other persons.

d)There are no indicators / default on receipts of payment from debtors (including related parties). Accordingly, the Group does not anticipate risk of recovery and expected credit loss in respect thereof. During year ended March 31, 2026, March 31, 2025, March 31, 2024, the subsidiaries have created expected credit loss on old outstanding receivables.

19 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balances with banks:			
- Current account	134.10	69.45	222.58
- Deposits with original maturity of less than 3 months (Refer Note 'b' below)	70.00	25.00	200.00
Cash on hand	0.03	0.03	0.03
Cheque on Hand	19.79	-	-
	223.92	**94.48**	**422.61**

a) For the purpose of the statement of cash flows, the cash and cash equivalent are same given above.

b) The deposits maintained by the group with Banks comprise of the time deposits which may be withdrawn by the group at any point of time without prior notice and are made of varying period depending upon the cash requirements of the group and earn interest at respective deposit rate.

20 Bank balances other than cash & cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than 3 months but less than 12 months (Refer notes below) *	200.00	383.10	460.00
	200.00	**383.10**	**460.00**

*Includes ₹ 200.00 millions (March 31, 2025 : ₹ 200.00 millions, March 31, 2024 : ₹ 200.00 millions) on which lien is marked in respect of Overdraft facility obtained from Kotak mahindra bank (Refer note 24).

21 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Authorised share capital			
580,000,000 shares (March 31, 2025: 580,000,000;March 31, 2024: 580,000,000) Equity shares of ₹ 10 each*	5,800.00	5,800.00	5,800.00
	5,800.00	**5,800.00**	**5,800.00**
Issued, subscribed and fully paid up share capital			
35,83,36,019 (March 31, 2025: 35,73,84,491;March 31, 2024: 353,578,380) Equity shares of ₹ 10 each*	3,583.36	3,573.84	3,535.78
	3,583.36	**3,573.84**	**3,535.78**

a) Reconciliation of issued and subscribed share capital:

Particulars	No. of Shares*	Amount
Balance as at April 1, 2023	**35,35,78,380**	**3,535.78**
Add: Shares issued during the year	-	-
Balance as at March 31, 2024	**35,35,78,380**	**3,535.78**
Add: Shares issued during the year	38,06,111	**38.06**
Balance as at March 31, 2025	**35,73,84,491**	**3,573.84**
Add: Shares issued during the year	9,51,528	**9.52**
Balance as at March 31, 2026	**35,83,36,019**	**3,583.36**

b) Terms/ rights attached to equity shares:

The parent company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Parent Company

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
Name of Share Holder	**No. of Shares***	**Holding %**	**No. of Shares***	**Holding %**	**No. of Shares***	**Holding %**
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	76.22%	27,31,23,055	76.42%	27,31,23,055	77.25%
South Asia Growth Invest LLC	2,59,47,024	7.24%	2,59,47,024	7.26%	2,59,47,024	7.34%
Bhagyoday Investments Private limited	2,39,78,804	6.69%	2,39,78,804	6.71%	2,39,78,804	6.78%

d) Details of Promoter's shareholding (refer note below):

Promoter's Name	**As at March 31, 2026**			**As at March 31, 2025**			**As at March 31, 2024**		
	No. of Shares	**% of total shares**	**% Change during the year**	**No. of Shares**	**% of total shares**	**% Change during the year**	**No. of Shares**	**% of total shares**	**% Change during the year**
Pankaj Munjal on behalf of OP Munjal Holding	27,31,23,055	76.22%	-0.20%	27,31,23,055	76.42%	-0.82%	27,31,23,055	77.25%	-
Pankaj Munjal	94,00,436	2.62%	-0.01%	94,00,046	2.63%	-0.03%	94,00,047	2.66%	-
Charu Munjal	9,42,425	0.26%	0.00%	9,42,425	0.26%	0.00%	9,42,425	0.27%	-
Abhishek Munjal	7,06,210	0.20%	0.00%	7,06,210	0.20%	0.00%	7,06,210	0.20%	-

Note: Promotors refers to promotor as defined under Companies Act 2013

e) Shares held by holding/ultimate holding &/or Subsidiary

No Share are held by the subsidiary of the parent company . The parent company does not have holding and ultimate holding company.

** Number of Shares are given in absolute numbers.*

f) Movement of share holding pattern during the year ended March 31, 2026 :

Equity Share holder		**As at March 31, 2025**		**Addition**		**Deletion**		**As at March 31, 2026**	
Name Of Share Holder	**Share Price**	**No of share***	**₹ in millions**	**No of share***	**₹ in millions**	**No of share ***	**₹ in millions**	**No of share***	**₹ in millions**
Equity Share holder									
Pankaj Munjal on behalf of OP Munjal Holding	10	27,31,23,055	2,731.23	-	-	-	-	27,31,23,055	2,731.23
South Asia Growth Invest LLC	10	2,59,47,024	259.47	-	-	-	-	2,59,47,024	259.47
Bhagyoday Investments P. Ltd.	10	2,39,78,804	239.79	-	-	-	-	2,39,78,804	239.79
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	10	1,05,37,140	105.37	-	-	-	-	1,05,37,140	105.37
Pankaj Munjal	10	94,00,436	94.00	-	-	-	-	94,00,436	94.00
Hero Cycles Limited	10	77,52,750	77.53	-	-	-	-	77,52,750	77.53
Charu Munjal	10	9,42,425	9.42	-	-	-	-	9,42,425	9.42
Aditya Munjal	10	7,07,022	7.07	-	-	-	-	7,07,022	7.07
Abhishek Munjal	10	7,06,210	7.06	-	-	-	-	7,06,210	7.06
Pankaj Munjal on behalf of Munjal Sales Corp	10	3,92,344	3.92	-	-	-	-	3,92,344	3.92
South Asia EBT Trust	10	87,110	0.87	-	-	-	-	87,110	0.87
Public shareholders	10	8,54,060	8.54	-	-	-	-	8,54,060	8.54
Amit Gupta	10	29,56,111	29.56	9,51,528	9.52	-	-	39,07,639	39.08
Total		**35,73,84,491**	**3573.85**	**9,51,528**	**9.52**	**-**	**-**	**35,83,36,019**	**3,583.36**

Movement of share holding pattern during the year ended March 31, 2025 :

Equity Share holder		As at March 31, 2024		Addition		Deletion		As at March 31, 2025	
Name Of Share Holder	**Share Price**	**No of share***	**₹ in millions**	**No of share***	**₹ in millions**	**No of share ***	**₹ in millions**	**No of share***	**₹ in millions**
Pankaj Munjal on behalf of OP Munjal Holding	10	27,31,23,055	2,731.23	-	-	-	-	27,31,23,055	2,731.23
South Asia Growth Invest LLC	10	2,59,47,024	259.47	-	-	-	-	2,59,47,024	259.47
Bhagyoday Investments P. Ltd.	10	2,39,78,804	239.79	-	-	-	-	2,39,78,804	239.79
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	10	1,05,37,140	105.37	-	-	-	-	1,05,37,140	105.37
Pankaj Munjal #	10	94,00,047	94.00	389	0.004	-		94,00,436	94.00
Hero Cycles Limited **	10	77,52,750	77.53	-	-			77,52,750	77.53
Smt. Sudarshan Kumari Munjal #	10	2,43,163	2.43			(2,43,163)	(2.43)	-	-
Charu Munjal	10	9,42,425	9.42					9,42,425	9.42
Aditya Munjal	10	7,07,022	7.07	-	-	-	-	7,07,022	7.07
Abhishek Munjal	10	7,06,210	7.06	-	-	-	-	7,06,210	7.06
Pankaj Munjal on behalf of Munjal Sales Corp #	10	1,49,359	1.49	2,42,985	2.43	-	-	3,92,344	3.92
Munjal Sales Corporation##	10	211	0.00			-211	(0.00)	-	-
South Asia EBT Trust	10	87,110	0.87			-	-	87,110	0.87
Public shareholders	10	4,060	0.04	8,50,000	8.50			8,54,060	8.54
Amit Gupta				38,06,111	38.06	(8,50,000)	(8.50)	29,56,111	29.56
Total		**35,35,78,380**	**3,535.79**	**48,99,485**	**48.99**	**(10,93,374)**	**(10.93)**	**35,73,84,491**	**3,573.84**

2,42,774 shares appearing in the name of Smt. Sudarshan Kumari Munjal in individual category as at March 31, 2024 be represented as "Smt. Sudarshan Kumari Munjal as Partner of Munjal Sales Corporation" has now been rectified and post demise of Smt. Sudarshan Kumari Munjal same was transferred in the name of Pankaj Munjal on behalf of Munjal Sales Corporation as at March 31, 2025

#389 shares which were appearing in the name of Smt. Sudarshan Kumari Munjal were transferred in the name of Pankaj Munjal by way of transmission of shares post demise of Smt. Sudarshan Kumari Munjal.

211 shares appearing in the name of Munjal sales corporation are rectified and transferred to the name of Pankaj Munjal on behalf of Munjal Sales Corporation due to both being the same entity.

Movement of share holding pattern during the year ended March 31, 2024 :

Type of capital		As at April 1, 2023		Addition		Deletion		As at March 31, 2024	
Name Of Share Holder	**Share Price**	**No of share**	**₹ in millions**	**No of share**	**₹ in millions**	**No of share**	**Amount**	**No of share**	**₹ in millions**
Equity Share holder									
Pankaj Munjal on behalf of OP Munjal Holding	10	27,31,23,055	2,731.23	-	-	-	-	27,31,23,055	2,731.23
South Asia Growth Invest LLC	10	2,59,47,024	259.47	-	-	-	-	2,59,47,024	259.47
Bhagyoday Investments P. Ltd.	10	2,39,78,804	239.79	-	-	-	-	2,39,78,804	239.79
Pankaj Munjal on behalf of Om Prakash Pankaj Munjal - AOP	10	1,05,37,140	105.37	-	-	-	-	1,05,37,140	105.37
Pankaj Munjal	10	94,00,047	94.00	-	-	-	-	94,00,047	94.00
Hero Cycles Limited	10	77,52,750	77.53	-	-	-		77,52,750	77.53
Charu Munjal	10	9,42,425	9.42	-	-	-	-	9,42,425	9.42
Aditya Munjal	10	7,07,022	7.07	-	-	-	-	7,07,022	7.07
Abhishek Munjal	10	7,06,210	7.06	-	-	-	-	7,06,210	7.06
Pankaj Munjal on behalf of Munjal Sales Corp	10	3,92,344	3.92	-	-	-	-	3,92,344	3.92
South Asia EBT Trust	10	87,110	0.87	-	-	-	-	87,110	0.87
Public shareholders	10	4,449	0.04	-	-	-	-	4,449	0.04
Total		**35,35,78,380**	**3,535.79**	**-**	**-**	**-**	**-**	**35,35,78,380**	**3,535.78**

g) Shares held by holding/ultimate holding &/or Held Subsidiary

No Share are held by the subsidiary of the parent company. The parent company does not have holding and ultimate holding company.

h) **Pursuant to the Scheme of arrangement between Hero Cycles Limited, our Company and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Chandigarh bench vide its order November 4, 2022, Hero Cycles Limited is the legal and beneficial owner of 95 Equity Shares held by 12 shareholders who are appearing on the BENPOS statement of the Company as on March 31, 2026, on account of rejection of corporate action for transfer of the Equity Shares from the accounts of the 12 shareholders to Hero Cycles Limited due to the relevant accounts being inactive or due to statutory freezing of these accounts by the respective depositories or otherwise.

** Number of Shares are given in absolute numbers.*

i) Preference Share Capital

	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Authorised Preference Share Capital			
Non Cumulative Convertible Preference Shares (CCPS) of ₹ 10 each 99,500,000 (March 31, 2025: 99,500,000; March 31, 2024: 99,500,000) (Refer note 67)	995.00	995.00	995.00
	995.00	**995.00**	**995.00**
Issued, subscribed and fully paid up			
Non Cumulative Convertible Preference Shares 20,971,941 (March 31, 2025: 20,971,941; March 31, 2024: 20,971,941) of ₹ 10 each^ (Refer note 67)	209.72	209.72	209.72
	209.72	**209.72**	**209.72**

^During the year ended March 31, 2023 the Parent Company has issued 20,971,941 non cumulative compulsory convertible preference share @ ₹ 69.13 (face value ₹ 10 each) convertible in to equity shares in the ratio of 1:1 each. The details of CCPS holders as at March 31, 2026, March 31, 2025 and March 31, 2024 are given below.

List of shareholders holding more than 5% shares in the Holding Company:

Name of Shareholders	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
	Number of Shares *	Amount	Number of Shares *	Amount	Number of Shares *	Amount
South Asia Growth Invest LLC	2,09,08,283	209.08	2,09,08,283	209.08	2,09,08,283	209.08
Soth Asia EBT Trust	63,658	0.64	63,658	0.64	63,658	0.64
	2,09,71,941	**209.72**	**2,09,71,941**	**209.72**	**2,09,71,941**	**209.72**

Terms and rights of Compulsorily Convertible Preference Shares (CCPS) issued to South Asia Growth Invest LLC and South Asia EBT Trust:

CCPS would be compulsorily converted into 20,971,941 number of equity shares as agreed between the company and CCPS holders at the option of the CCPS holders at any time after the date of allotment of CCPS but not later than 5 years from the date of allotment.

As per the original terms (including addendum thereto), the CCPS holders had right on the promoters of the Parent Company to provide it an exit at fair market value of securities after 60 months from the Execution Date of agreement(December 7, 2022), if the Parent Company is unable to provide exit to Investors either via IPO or any other route. Subsequently, the parties agreed and amended the terms wherein after 60 months from the Execution Date of agreement, the investors would be entitled to request the Parent Company and its promoters to buyback its shares and the Board may, at its sole discretion (with the affirmative vote of the investor nominee director), if deemed commercially prudent to undertake a buy-back in accordance with the applicable laws. Based on the assessment of the Parent Company as per the amended terms, the buy back event is controlled by the Board of Directors of the Parent Company and hence these CCPS have been classified as equity.

If the Parent Company is unable to provide an exit by way of buyback within the timelines as per agreement, the CCPS holders shall be entitled to identify a Person who is willing to purchase all of the Shares from the CCPS holders and may require the Promoters to transfer any or all of the Equity Securities held by such Promoters to the identified person, if required by that identified person on the terms which shall be no less favourable than those as offered to the CCPS holders.

The holders of CCPS –

a) carry a pre-determined non-cumulative dividend rate of 0.0001% per annum in priority to any dividend on the Equity shares.

b) carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital during winding up.

c) Each CCPS shall entitle the holder to such voting rights that such holder would have been entitled to exercise if such CCPS had been converted into Equity Shares in accordance with these terms prior to the date of such general meeting.

d) The CCPS shall be participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

** Number of Shares are given in absolute numbers.*

22 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
a. Securities premium:			
Balance at the beginning of the year	5,769.79	5,541.03	5,543.96
Add: Share based payment reserve on shares exercised transferred to Security Premium	57.98	231.91	-
Less : Share issue expenses (refer note 7 below)	(3.93)	(3.15)	(2.93)
Balance at the end of the year	**5,823.84**	**5,769.79**	**5,541.03**
b. CCPS classified as Equity:			
Balance at the beginning of the year	209.72	209.72	209.72
Add: issue of non-cumulative compulsorily convertible preference shares (refer note 21(h)(i))	-	-	-
Balance at the end of the year	**209.72**	**209.72**	**209.72**
c. Share-based payment reserve			
Balance at the beginning of the year	444.38	528.12	133.50
Add: Credit to equity for equity-settled share-based payment reserve	105.03	148.17	394.62
Less: Share based payment reserve on shares exercised transferred to Security Premium	(57.98)	(231.91)	-
Balance at the end of the year	**491.43**	**444.38**	**528.12**
d. Capital reserve-Common Control			
Balance at the beginning of the year (refer note 5 below)	16.08	16.08	16.08
Add: Addition during the period / year			-
Balance at the end of the period / year	**16.08**	**16.08**	**16.08**
e. Retained earnings			
Balance at the beginning of the year	1,769.79	1,567.79	1,549.73
Add: Profit for the year	435.68	252.02	134.17
Add: Restated other comprehensive income	38.66	45.96	(22.54)
Less : Share issue expenses related to earlier year	-	(1.77)	-
Less: Dividend distribution	-	(94.21)	(93.57)
Balance at the end of the year	**2,244.13**	**1,769.79**	**1,567.79**
f. Demerger adjustment deficit account			
Balance at the beginning of the year	(7,528.00)	(7,528.00)	(7,528.00)
Add: Effect of business combination (refer note 9 below)			-
Balance at the end of the year	**(7,528.00)**	**(7,528.00)**	**(7,528.00)**
g. Foreign currency translation reserve			
Balance at the beginning of the year	(4.70)	(12.13)	25.60
Add: Addition during the year	13.26	3.00	(42.37)
Less: Attributable to non-controlling Interest	1.51	4.43	4.64
Balance at the end of the year	**10.07**	**(4.70)**	**(12.13)**
h. Non controlling Interest			
Balance at the beginning of the year	9.18	(110.23)	(113.14)
Share issue expenses (refer note (7) below)	-	1.77	-
Profit for the year / addition during the year	(24.00)	75.94	36.18
Remeasurement of defined benefit obligations(net of tax)	20.24	46.13	(28.63)
Non Controlling Interest of foreign currency translation reserves	(1.51)	(4.43)	(4.64)
Share of Non Controlling Interest (Acquisition of Munjal STP Industries Private Limited)	50.25	-	-
Derecognition of NCI liability in respect of exercise of call option (Refer Note 22(11))	9.36	-	-
Balance at the end of the year	**63.52**	**9.18**	**(110.23)**
i. Non controlling Interest reserve			
Financial liability related to call option exercised	(84.74)	-	-
Recognition of put option liability related to Hewland Engineering	(19.33)	-	-
Balance at the end of the year	**(104.07)**	**-**	**-**
Total other equity (a+b+c+d+e+f+g+h+i)	**1,226.72**	**686.24**	**212.38**

Notes:

i) For movement during the year in other equity, refer "Statement of Change in Equity".

ii) **The description of the nature and purpose of each reserves within equity is as follows :**

1) **Securities premium:** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

2) **Share-based payments reserve:** The Share-based payments reserve is used to recognise the grant date fair value of options issued to employees under employees stock options scheme

3) **Retained earnings:** Retained earnings represents the undistributed profits of the Group.

4) **Remeasurement of defined benefit obligations:** The Group transfers actuarial gain/ (loss) arising at the time of valuation of defined benefit obligations to other comprehensive income.

5) **Capital reserve-Common Control**: The capital reserve pertains to reserve created out of Business combinations for common control transactions. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

6) **Non controlling interest**
Non controlling interest (NCI) pertains to Hewland Engineering Limited and HYM Drive System Private Limited and Munjal Stp Industries Private Limited

7) **Share Issue Expenses**
₹3.93 millions (March 31, 2025 ₹3.15 millions, March 31, 2024 ₹2.93 millions incurred for Issuance of further equity share capital by subsidiaries.

8) **Demerger adjustment deficit account**
The difference between assets, liabilities and reserves transferred and the purchase consideration on demerger is recorded as "Demerger Adjustment Deficit Account"

9) **Foreign currency translation reserve**
This represent conversion of foreign subsidiaries from there respective functional currency to reporting currency i.e. ₹.

10) **Derecognition of NCI liability in respect of exercise of call option :** While the Group continues to control Hewland Engineering Limited, the Group has recorded non-controlling interest (NCI) for shares held by third parties. An agreement has been entered into with certain NCI holder, which provides for a put as well as a put option, exercisable at a price determined as per the terms of the agreement. The Group has concluded that it does not control these shares and hence has recorded these shares as part of the Group's NCI. The Group has determined that the triggering events for exercising the option under the agreement are not within the complete control of the Group and has thus recorded a call option liability at the present value of the expected future outflow, which is also the maximum amount, by debiting NCI reserve. Subsequent re-measurement of this liability is also recognised in the same head considering adjustments for transactions with NCI, that do not result in loss of control, are accounted for as equity transactions

11) **Non Controlling Interest Reserve:** A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to NCI and any consideration exchanged is recognised in 'NCI reserve', a component of equity. During the year, the NCI Reserve was debited by ₹ 19.33 millions on account of the initial recognition of a put option liability relating to a 10% non-controlling interest in Hewland Engineering Limited, measured at the present value of the expected future settlement amount in accordance with the terms of the shareholder agreement. The transaction has been accounted for as an equity transaction since it does not result in a change in control of the subsidiary. The adjusted amount of ₹ 84.74 millions in respect of exercise of call option relating to 39% of non controlling interest by the controlling shareholders being the difference between the carrying amount of NCI in respect of 39% and the expected future cash flows is recognised in NCI reserve

23 Non Current Borrowing - at amortised cost **Represents non-current part of long term borrowing** **Represents current part of long term borrowing**

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Secured						
(a) Term Loans from Banks	904.00	1,082.83	596.71	540.34	370.80	133.88
(b) External commercial Borrowings	83.69	150.86	220.82	83.69	75.43	73.61
(c) Redeemable non-convertible debentures	-		-	-	-	166.70
(d) Loan from Other (Director of Subsidiary Company)	-	-	-	12.55	-	-
	987.69	**1,233.69**	**817.53**	**636.58**	**446.23**	**374.19**
Less: Amount disclosed under financial liabilities as 'Current borrowings' (refer note 24)			-	636.58	446.23	374.19
	987.69	**1,233.69**	**817.53**	**-**	**-**	**-**

Parent's Security

(i) The term loans and ECB mentioned in (a) and (b) have been secured by first pari pasu charge on all movable fixed assets, land and building of Ghaziabad plant of the Parent Company.

(ii) The redeemable non convertible debentures mentioned (RNCD) in (c) above have been secured by a first pari passu charge (equitable mortgage) on the land and building of Mangli plant held by Hero Cycles Limited and a first pari passu charge on Flat No 2A , 10th Floor Gurugram held by Hero Cycles Limited. These non convertible debenture were transferred to the Parent Company via demerger scheme and are not transferred in the name of the Parent Company. On due date the Parent Company used to pay its liability to Hero Cycles Limited and Hero Cycles Limited used to pay to debenture holder (HDFC Bank Limited) ; During the year ended March 31, 2024, the charge against the Mangli land has been released by the Bank. Further, the Parent Company has prepaid the entire outstanding balance ₹ 166.70 million amount to Hero Cycles Limited before the due date for onward repayment to Bank (Hero Cycles Limited has classified the as advance in "Other current assets" for the year ended March 31, 2024). Hero Cycles Limited has negotiated with bank for pre-payment before due date and the Bank has accepted the request and the amount was repaid on during the period.

Terms of Repayment

Maturity profile of secured term loans is as set out below :	2026-27	2027-28	2028-29	2029-30	Beyond 2029-30
(i) Term loan from banks are repayable in quarterly instalments	540.34	501.38	344.20	-	58.42
(ii) External commercial borrowings	83.69	83.69	-	-	-
(iii) Loan from Others(Director of Subsidiary Company)	12.55	-	-	-	-

Notes :

Parent Company:

a. The rate of interest for term loan from Axis bank limited is Repo rate +2.10% spread i.e. 7.35% p.a.

b.The rate of interest for term loan from Kotak mahindra bank is Repo rate + 2.15% spread i.e. 7.40% p.a

c.The rate of interest for term loan from ICICI Bank Limited is 3M MCLR+ 0.00% spread i.e. 8.10% p.a .

d. The rate of interest for External commercial borrowings is 3 months secured overnight financing rate + 2.75% p.a. i.e. 6.54% to 7.67% p.a, the Group has entered in to interest rate swap @ 6.65% p.a. with Axis Bank Limited.

e. The 7.8 % Redeemable Non Convertible Debentures have been issued through Beacon Trusteeship Services Limited (March 31, 2024: 7.80%).

Subsidiary- Spur Technologies Private Limited

The rate of interest for term loan from Axis Bank Limited is Repo+ 2.45% p.a. i.e. 7.70% as at March 31, 2026.

Subsidiary- Hewland Engineering Limited

The rate of interest for loan from Director of subsidiary Company,Hewland Engineering Limited is taken from Mr. Hewland with interest @5 %.

Details of borrowings availed and repaid during the year ended March 31, 2026 :

Particulars	As at April 1, 2025	Adittion	Forex	Repayment	As at March 31, 2026
External commercial borrowing	226.31	-	14.96	(73.88)	167.39
Loan from Other (Director of Subsidiary)	-	12.55	-	-	12.55
Term loan	1,453.63	343.72	51.50	(404.52)	1,444.34
Total	**1,679.94**	**356.27**	**66.46**	**(478.40)**	**1,624.28**

Details of borrowings availed and repaid during the year ended March 31, 2025 :

Particulars	As at April 1, 2024	Adittion	Forex	Repayment	As at March 31, 2025
External commercial borrowing	294.43	-	2.69	(70.81)	226.31
Non convertible debenture	166.70	-		(166.70)	-
Term loan	730.59	862.95		(139.91)	1,453.63
Total	**1,191.72**	**862.95**	**2.69**	**(377.42)**	**1,679.94**

Details of borrowings availed and repaid during the year ended March 31, 2024 :

Particulars	As at April 1, 2023	Addition	Forex	Repayment	As at March 31, 2024
External commercial borrowing	290.06	-	4.37	-	294.43
Non convertible debenture	333.35	-	-	(166.65)	166.70
Term loan	306.75	482.50	-	(58.66)	730.59
Total	**930.16**	**482.50**	**4.37**	**(225.31)**	**1,191.72**

24 Current borrowing - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Secured			
(a) Working capital demand loan	2,310.07	2,177.66	1,659.01
(b) Cash credit	13.34	16.25	-
(c) Current maturities of long term borrowings (Refer Note 23)	636.58	446.23	374.19
(d) Bank overdraft	60.21	202.39	89.25
(e) Export packing credit	-	-	100.00
	3,020.20	**2,842.53**	**2,222.45**

Note

The Group had access to the following undrawn borrowing facilities at the end of the reporting period :

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Floating Rate			
Expiring within one year (Bank overdraft and other facilities)	1,246.75	344.87	362.40
Expiring beyond one year (Bank loans)			-
	1,246.75	**344.87**	**362.40**

Security

Parent Company

(i) The Working Capital Demand Loan mentioned in (a) have been secured by first pari pasu charge on entire current assets of the parent company present and future for both Axis Bank, Kotak Mahindra Bank & ICICI Bank.

b. The Bank overdraft has been secured by fixed deposits equivalent to 100% of the overdraft limit.

Subsidiary- Spur Technologies Private Limited

(a) Axis Bank Limited cash credit limit has been secured by first pari pasu exclusive charge on entire current assets of the borrower,i.e. present and future, of the subsidiary company.

Subsidiary- Hero Motors Thai Limited

(a) The working capital loan is secured by parent company via standby letter of credit from Standard Chartered Bank -India.

Subsidiary- Hewland Engineering Limited

a)The working capital loan is secured by parent company via stand by letter of credit from ICICI Bank -India.

Notes :

Parent Company

a. The rate of interest for Working Capital Demand Loan from Axis bank limited and Kotak mahindra bank ranges 7.95% - 8.25% p.a.

b. The rate of interest for Bank Overdraft from Kotak mahindra bank is Term Deposit+0.80% i.e. 6.90% p.a.

c. The rate of interest for Export Packing Credit from Kotak mahindra bank is 7.90% p.a.

d. The rate of interest for buyer's credit is 1 month secured overnight financing Rate+ 0.90% -1.15% p.a.

e. Refer Note No. 23 for the terms and conditions, nature of security and maturity profile of the current maturities of long-term borrowings (forming part of long term borrowings of the Group).

Subsidiary- Spur Technologies Private Limited

a. The rate of interest for cash credit facility from Axis bank limited is Repo rate + 2.90% i.e. 8.15 % as on March 31, 2026.

Subsidiary- Hero Motors Thai Limited

a) The rate of interest on working capital is in the range of 3.59%-4.50%.

Subsidiary- Hewland Engineering Limited

a. The rate of interest for Working Capital Demand Loan from ICICI Bank is SONIA+1.5% i.e. 5.23~5.95%

b. The rate of interest for Bank Overdraft from HSBC UK Bank is 5% per annum over the Bank of England Base Rate i.e. 8.75~ 9.25%

25 Other financial liabilities

Particulars	Non - Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Security deposit	0.11	0.12	0.22
Creditors for capital goods	61.84	81.25	46.86
Recognition of call option liability related to Hewland Engineering (Refer Note 22(11)	19.33	-	-
	81.28	**81.37**	**47.08**

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	4.87	5.37	4.30
Employee related payable	36.46	39.45	29.64
Creditors for capital goods	113.55	97.95	94.03
Payable to related parties	38.84	87.63	134.67
Liability for acquisition of additional shares Hewland Engineering Limited	75.38	-	-
Bill Discounting / Factoring - Customer*	398.47	-	-
Bill Discounting / Factoring - Vendor**	1,028.53	418.18	756.89
	1,696.10	**648.58**	**1,019.53**

Notes:

a) The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 47.

*The Group has arrangements with financial institutions for financing payments to eligible suppliers. Under these arrangements, the group confirms eligible supplier invoices to the financial institutions, who make payment directly to the suppliers. The Group subsequently settles the amount with the financial institutions as per the agreed payment terms.

These arrangements do not change the original terms and conditions agreed with the suppliers. The Group has not provided any additional guarantee or security in respect of these arrangements.

The amounts outstanding under supplier finance arrangements as at March 31, 2026 ₹ 1,028.53 millions , March 31, 2025 ₹ 418.18 lakhs and March 31, 204 ₹ 756.89.

**The Group has entered into an agreement with a factoring agent for assignment of certain trade receivables. The factoring agreement provides the factoring agent with certain contractual set-off rights in respect of amounts due or overdue from customers arising from non-payment by the relevant debtor. The amount of receivables factored and outstanding for settlement by customers as at the reporting date was ₹ 398.46 millions as at March 31, 2026 , ₹ Nil as at March 31, 2025 and Nil as at ₹ March 31, 2024.

26 Other liabilities

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Deferred Government grant			-
Advance from customer	112.00	61.13	135.00
Statutory dues	72.07	91.87	81.69
Others	0.61	-	1.84
	184.68	**153.00**	**218.53**

27 Provisions

Particulars	Non - Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits			
Provision for compensated absences	46.23	37.02	27.45
Provision for pension liability*	328.17	373.65	556.67
Provision for gratuity/defined benefit*	191.24	184.99	152.35
	565.64	**595.66**	**736.47**

Provisions

Particulars	Current		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits			
Provision for compensated absences	8.03	8.13	4.55
Provision for gratuity/defined benefit pension liability*	85.42	71.60	15.86
	93.45	**79.73**	**20.41**

* Refer note 42

28 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	276.49	231.22	171.71
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,126.97	1,140.85	1,190.76
	1,403.46	**1,372.07**	**1,362.47**

* includes related party payables (refer note 46).

Trade Payables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	276.49		-	-	**276.49**
(ii) Others	1,107.54	16.04	0.83	2.56	**1,126.97**
(iii) Disputed dues — MSME	-	-	-	-	**-**
(iv) Disputed dues — Others	-	-	-	-	**-**

Note- Unbilled dues are included in less than 1 year.

Trade Payables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	231.22	-	-	-	**231.22**
(ii) Others	1,133.38	2.23	5.24	-	**1,140.85**
(iii) Disputed dues — MSME	-	-	-	-	**-**
(iv) Disputed dues — Others	-	-	-	-	**-**

Note- Unbilled dues are included in less than 1 year.

Trade Payables ageing schedule as at March 31, 2024:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	171.67	0.04	-	-	**171.71**
(ii) Others	1,185.95	4.52	0.29	-	**1,190.76**
(iii) Disputed dues — MSME	-	-	-	-	**-**
(iv) Disputed dues — Others	-	-	-	-	**-**

Note- Unbilled dues are included in less than 1 year.

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at March 31, 2026,March 31, 2025,, March 31, 2024 except as follows:-

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	276.49	231.22	171.71
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

29 Deferred tax liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities	177.41	139.32	105.99
Deferred tax assets	55.92	21.44	4.17
Net deferred tax liabilities	**121.49**	**117.88**	**101.82**

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities relates to followings:			
Property, plant and equipment and Intangible assets	269.17	218.18	168.55
Forward contract receivable	3.63	1.50	0.82
Others	-	-	-
Right of use asset	25.55	26.36	6.91
Offsetting of deferred tax liabilities with deferred tax (assets)	(120.94)	(106.72)	(70.29)
Deferred tax liabilities (net)	**177.41**	**139.32**	**105.99**
Deferred tax assets relates to followings:			
Provision for employee benefits expense	66.94	63.11	54.68
Carry forward loss and unabsorbed depreciation	64.93	37.68	18.40
Preliminary expenses	(0.04)	0.15	0.19
Lease liability	20.25	19.62	1.19
Others	24.78	7.60	-
Offsetting of deferred tax (assets) with deferred tax liabilities	(120.94)	(106.72)	(70.29)
Deferred tax assets (net)	**55.92**	**21.44**	**4.17**
	121.49	**117.88**	**101.82**

Deferred tax expense relates to followings:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, plant and equipment and Intangible assets	50.99	49.63	36.57
Employee benefit	(23.46)	(39.12)	(6.95)
Carry forward of Losses	(27.25)	(19.28)	(15.11)
Preliminary expenses	0.19	0.04	(0.13)
Lease liability	(0.63)	(18.43)	4.10
Forward contract receivable	2.14	0.68	1.32
Right of use asset	(0.81)	19.45	6.91
Share based payment expenses			33.60
Others	(17.18)	(7.60)	-
	(16.01)	**(14.63)**	**60.31**

The movement in deferred tax assets and liabilities during the year is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	117.88	101.82	39.16
Tax expense/ (Credit) recognised in statement of Profit or Loss	(16.01)	(14.63)	60.31
Tax expense/ (credit) recognised in OCI:			
- Re-measurement gain on defined benefit plans	19.62	30.68	2.36
Balance at the end of the year	**121.49**	**117.87**	**101.83**

30 Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense:			
Current year	209.71	66.00	54.85
Prior year tax adjustment	4.66	11.43	(42.39)
Total current tax (A)	**214.37**	**77.43**	**12.46**
Deferred tax assets/ (liabilities):			
Current year origination and reversals of temporary difference	(18.60)	(9.47)	26.57
Prior year tax adjustment	2.59	(5.16)	33.74
Deferred tax charge/ (credit) (B)	**(16.01)**	**(14.63)**	**60.31**
Total tax expense recognised in statement of profit and loss	**198.36**	**62.80**	**72.77**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax recognised in other comprehensive income			
Income tax impact on remeasurement of defined benefits	19.62	30.68	2.36
Total Income tax recognised in other comprehensive income	**19.62**	**30.68**	**2.36**

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	610.04	390.76	243.12
Applicable income tax rate	25.17%	25.17%	25.17%
Expected income tax expenses	**153.54**	**98.35**	**61.19**
Adjustments:			
Corporate social responsibility	1.82	2.38	2.19
Deferred tax not recognised on Subsidiary Company - HYM Drive Systems Private Limited (refer note "d")	10.57	6.41	4.09
Deferred tax adjustment	-	-	29.65
Deferred tax not recognised on Subsidiary - Hewland Engineering Limited (refer note "c")	7.17	(49.59)	-
Income tax related to prior year	4.66	11.52	(42.39)
Tax effect of amounts which are not deductible in calculating of taxable income (net of exempt income)	(0.40)	(6.36)	15.76
Difference in overseas tax rates / tax rates	3.50	(1.90)	(0.17)
Tax on research and development tax credit	20.48	-	-
Others	(2.99)	2.00	2.45
Reported income tax expenses	**198.36**	**62.80**	**72.77**

Notes:

a) The Parent company had elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

b) The Group has recognised deferred tax liabilities (net of assets) only to the extent it is probable that future taxable income will be available against which unused tax credit will be adjusted.

c) The subsidiary (Hewland Engineering Limited) has unutilised tax losses of approximate ₹ 850.05 million (March 31, 2025:₹ 723.04 million and March 31,2024: ₹ 598.69 million) available for offset against future taxable profit subject to agreement from Her Majesty's Revenue and customs(HMRC) in its subsidiary Hewland Engineering Limited. A deferred tax asset of ₹ 240.59 millions (March 31, 2025 : ₹ 198.90 millions, March 31,2024: ₹ 304.59 millions) including amounts arising in relation to defined benefit pension scheme has not been recognised on the basis that its future economic benefit is uncertain.

d) The subsidiary (HYM Drive Systems Private Limited) has unutilised tax losses of approximate ₹ 122.78 million (March 31, 2025:₹ 61.18 million and March 31,2024: ₹ 23.83 million) available for offset against future taxable profit in its subsidiary HYM Drive Systems Private Limited. A deferred tax asset of ₹ 21.07 millions (March 31, 2025 : ₹ 10.50 millions, March 31,2024: ₹ 4.09 millions) including amounts arising in relation to defined benefit pension scheme has not been recognised on the basis that its future economic benefit is uncertain.

d) The following is the Movement in unabsorbed tax losses in Hewland Engineering Limited:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	198.90	304.59	213.46
Changes during the year	7.17	(49.59)	26.50
Translation difference	34.52	(56.10)	64.63
Balance at the end of the year	**240.59**	**198.90**	**304.59**

e) The following is the Movement in unabsorbed tax losses in HYM Drive Systems Private Limited:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	10.50	4.09	-
Changes during the year	10.57	6.41	4.09
Balance at the end of the year	**21.07**	**10.50**	**4.09**

31 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of product	11,362.77	10,135.08	10,081.55
Sale of service	171.98	370.40	312.46
	11,534.75	10,505.48	10,394.01
Other Operating Revenues			
- Scrap sales	183.15	173.43	138.08
- Export incentive	54.40	47.34	36.03
- Government Grant	107.81	80.94	75.74
- Other operating income	3.40	88.74	-
	11,883.51	**10,895.93**	**10,643.86**

a) Performance obligation

Revenue is recognised upon transfer of control of products and point of completion of services.

During the year, the group has not entered into long term contracts with customers and accordingly disclosure of unsatisfied or remaining performance obligation (which is affected by several factors like changes in scope of contracts, periodic revalidations, adjustment for revenue that has not been materialized, tax laws etc.) is not applicable to the Group.

b) Disaggregation of revenue: The table below presents disaggregated revenues from contracts with customers on the basis of geographical spread of the operations of the Group. The Group believes that this disaggregation best depicts how the nature, amount of revenues and cash flows are affected by market and other economic factors:

Revenue based on Geography	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
India	6,968.24	6,434.91	6,249.85
Outside India	4,915.27	4,461.02	4,394.01
Revenue from operations	**11,883.51**	**10,895.93**	**10,643.86**

Timing of revenue recognition	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue recognised at point in time	11,711.53	10,525.53	10,331.40
Revenue recognised over the time	171.98	370.40	312.46
Revenue from operations	**11,883.51**	**10,895.93**	**10,643.86**

c) Reconciliation of revenue from contract with customers with contracted price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Contracted price*	11,548.60	10,505.48	10,394.01
Less:			
Sales returns	-13.85	-	-
Rebate and discount	-	-	-
	11,534.75	**10,505.48**	**10,394.01**

d) Assets and liabilities related to contract with customers

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Trade receivables	2,529.02	2,023.31	1,947.87
Advances from customer	112.00	61.13	135.00

Remaining performance obligation as at the reporting date are expected to be substantially recognised over the next reporting period by the Group.

e) Revenue recognised in relation to contract liabilities

Contract liabilities related to sale of services

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Advances from customer	61.13	135.00	123.68

Further, the Group has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. In light of above;
- it does not adjust any of the transaction prices for the time value of money, and
- there is no unbilled revenue as at March 31, 2026 ,March 31,2025 and March 31, 2024 except as disclosed in trade receivable.

32 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income			
- On bank deposits	22.95	40.89	60.04
- Others	16.99	6.55	36.72
Other non-operating income:			
Rental income	0.31	0.48	0.24
Profit on sale of property, plant and equipment	1.61	1.16	1.32
Profit on sale / fair valuation - Mutual funds	1.50	4.92	8.73
Mark to market gain on forward contract	8.49	2.68	3.26
Foreign exchange fluctuation gain (net)	191.33	120.49	24.61
Excess provision/ liabilities written back	1.91	20.03	30.01
Gain on derecognition of right-of-use asset and lease liability	8.04	-	10.51
Commission Income	30.76	18.30	14.59
Other non operating income	0.02	0.90	0.30
	283.91	**216.40**	**190.33**

33 Cost of raw material consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw Material			
Balance at the beginning of the year	447.38	370.96	478.08
Add:- Purchases during the year	6,770.10	6,380.85	6,297.37
	7,217.48	6,751.81	6,775.45
Less:- Balance at the end of the year	682.46	447.38	370.96
Cost of material consumed	**6,535.02**	**6,304.43**	**6,404.49**

34 Purchase of stock in trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchases during the year	277.14	76.57	-
	277.14	**76.57**	**-**

35 Changes in inventories of finished goods, work in progress and stock in trade

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year				
Finished goods		844.33	866.34	805.03
Work-in-progress		387.88	383.54	473.62
Scrap stock		2.95	4.71	7.37
Stock in trade		32.52	6.40	20.64
	(A)	**1,267.68**	**1,260.99**	**1,306.66**
Inventories at the end of the year				
Finished goods		774.47	844.33	866.34
Work-in-progress		325.61	387.88	383.54
Scrap stock		1.81	2.95	4.71
Stock in trade		49.07	32.52	6.40
	(B)	**1,150.96**	**1,267.68**	**1,260.99**
(Increase) / decrease in inventory (A-B)		**116.72**	**(6.69)**	**45.67**

36 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,333.30	1,340.88	1,177.86
Contribution to provident and other fund (Refer note 42)	108.74	118.55	109.21
Gratuity expense (Refer note 42)	22.09	31.77	20.06
Compensated absences	14.34	18.69	10.29
Staff welfare expenses	60.91	52.95	61.47
Share based payment expenses (Refer Note No.41)	105.03	148.17	394.62
Director sitting fees	0.67	0.37	0.16
	1,645.08	**1,711.38**	**1,773.67**

(All amount in ₹ millions, unless otherwise stated)

37 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on			
-term loans and working capital facilities	248.97	220.05	162.81
-redeemable non convertible debentures	-	-	18.21
-external commercial borrowings	13.37	16.95	20.25
- Others	12.52	10.29	10.33
Other borrowing cost			
- Reverse discount	37.34	23.20	15.28
- Buyer credit	-	-	0.58
- Sales bill discounting	19.77	33.92	35.42
- Others	12.86	7.78	18.16
Net interest on defined benefit plans	37.54	38.63	34.68
Interest on lease liabilities	26.01	19.02	18.41
	408.38	**369.84**	**334.13**

Note :

The Parent company has capitalised the borrowing cost of ₹ 33.31 millions (March 31, 2025 ₹ 27.16 millions and March 31, 2024:₹ 45.69.) The interest rate used for capitalization ranges from 8.60% - 8.65% p.a.

38 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 4)	340.87	306.95	226.88
Amortisation of intangible assets (Refer note 9)	51.80	12.29	8.55
Depreciation on right-of-use assets (Refer Note 7)	66.73	60.20	50.08
	459.40	**379.44**	**285.51**

39 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	30.97	29.95	25.30
Contract labour charges	414.68	380.64	333.34
Power & fuel	315.79	297.75	281.98
Consumption of stores and spare	373.84	272.75	210.02
Packing material consumed	201.56	214.95	222.03
Security charges	31.00	26.70	20.44
Repair & maintenance			
- Plant & machinery	91.18	97.80	97.26
- Buildings	13.73	12.88	9.66
-Others	56.81	51.19	46.06
Legal & professional expenses	71.15	59.32	42.07
Payment to the auditors (refer note 'a' below)	12.54	11.27	14.08
Freight & forward charges	180.49	152.00	149.83
Other selling expenses	65.97	43.50	38.80
Rates & taxes	26.55	19.72	19.03
Travelling & conveyance	51.18	48.09	45.93
Insurance expenses	39.21	40.40	36.38
Allowance for expected credit loss	0.43	-	-
Bank charges	12.15	10.61	12.15
Loss on sale/write off of Property, plant and equipment	-	0.02	0.24
Foreign exchange fluctuation loss (net)	1.54	-	29.81
Mark to market loss on forward contract	-	-	-
Corporate social responsibilities	7.23	9.44	8.72
Miscellaneous expenses	98.05	107.62	104.47
Total	**2,096.05**	**1,886.60**	**1,747.60**

a) **Details of payment made to auditors is as follows:**	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
i) **Payment to auditor**			
- Statutory audit fee (Including subsidiary auditor)	8.51	6.77	12.87
- Tax audit fee	0.51	0.45	0.50
- Other services and certification	3.52	4.05	0.71
	12.54	**11.27**	**14.08**
- Fees related IPO Activity *	8.00	22.00	-

*Disclosed in Share issue expenses recoverable (Refer note 71).

40 Earnings per share (EPS)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to the equity shareholders **(A)**	435.68	252.02	134.17
Number equity shares outstanding at the end of the year **(B)**	35,83,36,019	35,73,84,491	35,35,78,380
Weighted average number of potential equity shares on account of CCPS/ Share pending Issue	2,09,71,941	2,09,71,941	2,09,71,941
Weighted average number of equity shares for Basic EPS **(C)**	37,92,19,325	37,76,29,178	37,45,50,321
Nominal value of Equity shares (₹)	10.00	10.00	10.00
Basic earning per share **(A/C) (₹)**	1.15	0.67	0.36
Weighted average number of potential equity shares on account of Pending employee stock option scheme	40,69,522	48,83,427	81,39,045
Weighted average number of Equity shares (including dilutive shares) outstanding for Dilutive EPS **(D)**	38,32,88,847	38,25,12,605	38,26,89,366
Nominal value of equity shares (₹)	10.00	10.00	10.00
Diluted earnings per share **(A/D) (₹)**	1.14	0.66	0.35

41 Employee stock option plan (ESOP)

Details of stock option scheme

	ESOP 2022		
Particulars	**Option value (₹)**	**Date of grant**	**Number of option granted**
Tranche-1	60.93	December 02, 2022	95,15,278
Tranche-2	27.44	December 30, 2022	49,43,511
Tranche-3	29.97	December 30, 2022	39,54,809
Tranche-4	32.34	March 01, 2023	11,54,196
Tranche-5	16.57	July 13, 2023	5,89,800
Tranche-6	16.95	November 17, 2023	1,44,975
Tranche-7	10.96	July 17, 2024	6,99,738
Tranche-8	11.18	December 12, 2024	1,06,620
Tranche-9	11.60	June 25, 2025	1,21,836

Date of Board approval of the relevant scheme	December 02, 2022
Date of Shareholder's approval of the relevant scheme	December 02, 2022
Date of last modification by shareholders	August 13, 2024
Method of settlement (Cash/Equity)	Equity
Vesting Period	Minimum of 1 year and maximum of 8 year from grant date
Exercise period	10 years from the vesting date
Exercise price	The options are granted to eligible employees at the latest available closing price of the shares of the parent company prior to the grant date as per the valuation report obtained by the parent company.
Vesting condition	Vesting of options is a function of achievement of performance criteria or any other criteria as specified by the parent company in the grant letter, further the vesting takes place on staggered basis over the respective vesting period.

Particulars	**For the year ended March 31, 2026**	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Expenses arising from equity - settled share based payment transactions (Refer Note 37)	105.03	148.17	394.62
Total expense arising from share-based payment transactions recognized in statement of profit and loss	**105.03**	**148.17**	**394.62**

Notes:

(i) The parent company has given stock options to certain employees and has considered the related compensation cost to recognize in the statement of profit and loss ,over the vesting period

The details of activity under the ESOP Plans have been summarized below :

	ESOP 2022					
	For the year ended March 31, 2026		**For the year ended March 31, 2025**		**For the year ended March 31, 2024**	
Particulars	**Number of options ***	**Weighted average exercise price (₹)**	**Number of options ***	**Weighted average exercise price (₹)**	**Number of options ***	**Weighted average exercise price (₹)**
Outstanding at the beginning of the period / year	1,69,32,924	49.48	2,00,70,524	41.10	1,95,67,794.00	40.38
Granted during the period / year	1,21,836	69.14	8,06,358	69.14	7,34,775	68.43
Forfeited during the period / year	(4,07,414)	69.14	(1,37,847)	69.14	(2,32,045)	68.43
Exercised during the period / year	(9,51,528)	10.00	(38,06,111)	10.00	-	
Expired during the period / year			-	-	-	
Outstanding at the end of the year	**1,56,95,818**	**49.48**	**1,69,32,924**	**49.48**	**2,00,70,524**	**41.10**
Vested and exercisable	75,22,298		58,55,382		73,75,491	
Remaining average contractual life (in years)		2.77		3.60		3.80

* Number of options are in absolute

Fair value of options granted

The weighted average fair value of stock options granted during the year pertaining to ESOP 2022 plan is ₹ 11.60 (March 31, 2025 ₹ 10.98March 31, 2024 ₹ 16.64;). The fair value at grant date is determined using the using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs used for fair valuation of options for the ESOP plans

Particulars	**For option granted during the year as on March 31,2026**	**For option granted during the year as on March 31,2025**	**For option granted during the year as on March 31,2024**
	ESOP 2022 Plan	**ESOP 2022 Plan**	**ESOP 2022 Plan**
Dividend yield	1.41%	1.56%	0.53%
Expected volatility	39.24%-56.35%	53.16%-60.22%	36.97%-43.00%
Risk free interest rate	5.63%-6.11%	7.16%	6.69%-6.91%
Expected life of share option	3.5 to 6.3 years	3.5 to 6.4 years	3.5 to 6.4 years
Share price at grant	35.58	32.08	47.37

42 Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Group makes contribution towards Employees provident fund, Employee's State insurance scheme, and other welfare schemes. Under the rules of these schemes, Group Companies is required to contribute a specified percentage of payroll costs. During the year companies recognised the following amount in the statement of profit and loss under company's contribution to defined contribution plan.

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's Contribution to Provident Fund/ Pension Fund	56.49	57.74	51.55
Employer's Contribution to Employee State Insurance	2.69	3.67	3.75
Employer's Contribution to Welfare fund	0.09	0.07	0.08
Total	**59.27**	**61.48**	**55.38**

The contribution payable to these schemes by Group are at the rates specified in the rules of the schemes.

Note:

Out of the above, an amount of ₹ 3.25 millions (March 31, 2025: ₹ 4.21 millions and March 31, 2024 ₹ Nil) has been capitalized in one of the subsidiary Hero EDU Systems Private Limited.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the parent Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity is funded for Mangli unit by Life Insurance Corporation of India and not funded for Ghaziabad unit.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
Change in benefit obligation	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**
Opening defined benefit obligation	**58.41**	**155.70**	**56.93**	**137.61**	**53.88**	**135.04**
Interest cost	3.89	10.69	3.91	9.97	3.87	10.01
Service cost	3.87	21.61	3.60	19.72	3.13	19.65
Acquisition of employees	-	0.00	-	0.07	-	-
Past Service cost	0.36	15.53	-	-	-	-
Benefits paid	(2.16)	(16.12)	(5.42)	(13.74)	(3.97)	(17.01)
Actuarial (gain) / loss on obligations	(4.53)	(20.13)	(0.61)	2.07	0.02	(10.08)
Present value of obligation as at the end of the year	**59.83**	**167.28**	**58.41**	**155.70**	**56.93**	**137.61**

d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
Cost for the year included under employee benefit	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**
Current service cost	3.87	21.61	3.60	19.72	3.13	19.65
Effect of business combination	-	-	-	-	-	-
Expected return on plan assets	(1.54)	-	(1.87)	-	(2.09)	-
Cost for the year included under finance cost						
Interest cost	3.89	10.69	3.91	9.97	3.87	10.01
Net cost	**6.23**	**32.30**	**5.64**	**29.69**	**4.92**	**29.66**

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
e) Changes in the fair value of the plan assets are as follows:	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**
Fair value of plan assets at the beginning	23.02	-	26.32	-	28.48	-
Expected return on plan assets	1.54	-	1.87	-	2.09	-
Return on assets less interest income	-	-	-	-	-	-
Contributions by employer	0.10	-	0.23	-	0.16	-
Effect of business combination	-	-	-	-	-	-
Benefits paid	(2.16)	-	(5.00)	-	(3.97)	-
Actuarial gains / (losses) on the plan assets	(0.06)	-	(0.40)	-	(0.44)	-
Fair value of plan assets at the end of the year	**22.43**	**-**	**23.02**	**-**	**26.32**	**-**

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
f) Detail of actuarial gain/loss recognised in OCI is as follows:	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**	**Gratuity (Funded)**	**Gratuity (Unfunded)**
Actuarial gain / (loss) for the year – obligation	4.53	20.13	0.61	(2.07)	(0.02)	10.08
Actuarial gain / (loss) for the year - plan assets	(0.06)	-	(0.40)	-	(0.44)	-
Effect of business combination	-		-		-	
Unrecognised actuarial gains / (losses) at the end of the year	**4.47**	**20.13**	**0.22**	**(2.07)**	**(0.46)**	**10.08**

g) **Principal actuarial assumptions at the balance sheet date are as follows:**	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Economic assumptions						
1. Discount rate	7.29%	6.68%- 7.80%	6.68%	6.92% - 7.01%	7.09%	7.09%
2. Rate of increase in compensation levels	8.00%	5%-10%	8.00%	5%-10%	8.00%	5%-10%
3. Expected Return on Plan Assets	7.29%	-	6.68%	-	7.09%	-
Demographic assumptions						
1. Retirement age (years)	58	58	58	58	58	58
2. Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2012-14) (modified) ultimate		Indian Assured Lives Mortality (2012-14) (modified) ultimate	
Withdrawal rate (Average in case of unfunded amounts)						
1. Ages from 0 to 30 years	3.90%	1%-10%	3.90%	1%-10%	3.90%	1%-10%
2. Ages from 31 to 44 years	3.90%	1%-10%	3.90%	1%-10%	3.90%	1%-10%
3. Ages above 44 years	3.90%	1%-10%	3.90%	1%-10%	3.90%	1%-10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Present value of obligation	59.83	167.28	58.41	155.70	56.93	137.61
Less: Fair value of plan assets	22.43	-	23.02	-	26.32	-
Net assets /(liability)	**(37.40)**	**(167.28)**	**(35.39)**	**(155.70)**	**(30.62)**	**(137.61)**

i) Expected contribution for the next year is ₹ 41.15 million (March 31, 2025: ₹ 39.12 millions and March 31, 2024: ₹ 34.07 million) in respect of Gratuity.

j) A quantitative sensitivity analysis for significant assumptions is as shown below:

A. Discount rate	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
Effect on DBO due to 1% increase in discount Rate	3.30	(13.53)	(3.56)	(12.85)	(3.44)	(10.33)
Effect on DBO due to 1% decrease in discount Rate	3.67	15.95	3.98	15.23	3.85	12.12
B. Salary escalation rate						
Effect on DBO due to 1% increase in salary escalation rate	3.41	15.88	3.68	15.04	3.62	12.03
Effect on DBO due to 1% decrease in salary escalation rate	3.29	(13.73)	(3.54)	(12.66)	(3.45)	(10.46)

C. There are no changes in current year /period from the previous corresponding period in the methods and assumptions used in preparing the sensitivity analysis.
D. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

k) Risk

Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

l) Maturity profile of cash outflows relating to defined benefit obligation are as follows:

	As at March 31, 2026		As at March 31, 2025		As at March 31, 2024	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
0 to 1 years	69.89	128.88174	40.88	135.62	7.19	12.54
1 to 2 years	80.65	150.18	47.52	179.89	6.66	13.27
2 to 3 years	68.48	166.58	75.08	142.68	4.65	17.38
3 to 4 years	87.83	174.17	64.56	169.02	6.99	13.76
4 to 5 years	62.73	121.62	86.38	162.41	6.05	16.67
From 5 years onwards	289.81	515.93	290.87	504.67	31.07	56.35

(ii) Post-employment benefit plans of Subsidiary Company' i.e. Hewland Engineering Limited

a) The subsidiary company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to pension Fund	-	-	28.09
Employer's contribution to social security cost	52.10	60.74	56.42
	52.10	**60.74**	**84.51**

b) Defined pension schemes

The Group operates a defined benefit pension scheme in the UK funded by employer's contributions with assets held in a separate trustee administered fund.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits. These have been provided on accrual basis, based on year end actuarial valuation.

Change in benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	1,911.51	2,099.81	2,051.65
Interest cost	114.04	103.06	94.15
Actuarial gains/(losses)	(59.93)	(276.49)	(6.24)
Benefits paid	(115.35)	(121.53)	(107.89)
Translation adjustments	252.35	106.66	68.13
Present value of obligation as at the end of the year	**2,102.62**	**1,911.51**	**2,099.81**

d) Changes in the fair value of the plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning	1,481.79	1,543.15	1,540.77
Interest income on plan assets	89.34	76.29	71.27
Return on assets less interest income	(4.95)	(150.99)	(64.50)
Contributions by employer	60.35	54.83	52.75
Benefits paid	(115.35)	(121.53)	(107.89)
Other	(0.06)	(0.05)	(0.10)
Translation adjustments	199.77	80.09	50.85
Fair value of plan assets at the end	**1,710.89**	**1,481.79**	**1,543.15**

e) Net (assets) / liabilities recognized in the Balance Sheet on actuarial gain / (loss) for benefit obligation and plan assets.

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets	1,710.89	1,481.79	1,543.15
Present value of plan liabilities	(2,102.62)	(1,911.51)	(2,099.81)
Net pension scheme liability	**(391.73)**	**(429.72)**	**(556.66)**

f) Expected contribution for next year is ₹ 60.35 millions (March 31, 2025 : ₹ 54.83 millions and March 31, 2024: ₹ 53.25 millions) to its defined benefit pension scheme.

g) Detail of actuarial gain/loss recognised in OCI is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Actual return less interest income	(4.95)	(150.99)	(64.68)
Actuarial gains/(losses)	59.93	276.49	6.24
Total amount charged to other comprehensive income	**54.98**	**125.50**	**(58.44)**

h) Composition of plan assets

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Property/ Fixed income	546.55	378.82	370.66
Liability driven investment funds	417.53	346.02	405.95
Cash/ Bank	87.58	28.41	20.69
Diversified growth fund units	185.94	343.19	341.36
Annuity policies	412.34	385.33	404.49
Total	**1,649.94**	**1,481.78**	**1,543.15**

i) Principal actuarial assumptions used at the Statement of financial position date

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
	%	**%**	**%**
Discount rates at start of period/year	5.70	4.90	4.60
Discount rate at end of period/year	6.20	5.40	4.90
Inflation - RPI	3.30	3.20	3.30
Inflation - CPI	2.50	2.40	2.50
Pension increases in deferment (Non GMP)	2.50	2.40	2.50
Pension increases in payment (RPI, max 5%)	3.00	2.90	3.00
Pension increases in payment (RPI, max 2.5%)	2.00	1.90	2.00
Pension increases in payment (RPI, max 3%)	2.30	2.20	2.30
Pension increases in payment (RPI, max 3%,max 5%)	3.70	3.70	3.70
j) Mortality rates	**Number**	**Number**	**Number**
- for a male aged 65 now	86.90	86.10	86.10
- at 65 for a male member aged 45 now	87.60	86.70	88.60
- for a female aged 65 now	89.50	88.60	86.80
- at 65 for a female member aged 45 now	90.30	89.40	89.40

k) Sensitivity Analysis

	Change to defined benefit obligation		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Increase/decrease discount rate by 0.5% p.a.	-5% /+6%	-6% /+6%	-6% /+7%
Increase/decrease assumed future rates of inflation by 0.5% p.a.	+3% /-3%	+4% /-3%	+4% /-4%

(iii) Post-employment benefit plans of Subsidiary Company' i.e. Hero Motors Thai Limited

a) Defined contribution plans

The Company makes contribution Social Security Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the Statement of profit and loss under company's contribution to defined contribution plan.

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's Contribution to Social Security Cost	0.63	0.52	0.24
Total	**0.63**	**0.52**	**0.24**

b) Defined benefit schemes

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Retirement benefits

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity

Past-service costs are recognised immediately in profit or loss.

d) Termination benefits

The Group recognises termination benefits at the earlier of a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

Employee benefit obligations

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The amounts recognised in the statement of financial position are determined as follows:

a)

Cost for the year included under employee benefit	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Pension expense / (reversal)	(22.21)	91.85	-
Total	**(22.21)**	**91.85**	**-**

b) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the fund status and amounts recognised in the balance sheet for the defined benefit plan and other long term benefits.

	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	94.53	-	-
Current service cost	(22.21)	91.85	-
Translation adjustments	11.95	2.68	
Present value of obligation as at the end of the year	**84.27**	**94.53**	**-**

c) Principal assumptions used at the Statement of financial position date:

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount Rate	2.65%	2.65%	-
Turnover Rate	36.50%	36.50%	-

43 Contingent liabilities and commitments

a) Contingent liabilities (To the extent not provided for)

The Group has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Group to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as contingent liabilities (pending resolution of the respective proceedings).
The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Group. Also, the Group does not expect any reimbursements in respect of the below contingent liabilities.

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
- Legal cases of labour pending before Labour Court (see note-I- below)	9.89	9.89	9.23
- Claims against the Company not acknowledged as debt (see note-II below)	-	3.93	3.93
- Claims against the Company not acknowledged as debt (see note-III below)	2.33	-	-
Direct Taxation (Income Tax) (see note-IV below)	1.63	-	-
-Bank guarantee	21.08	20.74	32.82

I Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Parent Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements. However, Since it is difficult for the Parent Company to estimate the timings of the cash outflows, if any, no further provision or separate disclosure is made in books of account.

II Sadhu Forging Limited has filed a suit claiming ₹3.93 millions towards alleged outstanding payment for supplied material. Hero Motors Limited has contested the claim on the grounds that the material supplied was defective, rejected, and corresponding debit notes were raised. Vide order dated 28.01.2026, the Faridabad Court held that it lacks territorial jurisdiction and directed return of the plaint for presentation before the competent Delhi Court. While the Faridabad proceedings have concluded, the matter may be refiled in Delhi, where the outcome remains uncertain due to both factual and legal issues involved.

III A claim of ₹2.33 millions has been raised by M/s Hari Om Enterprises in relation to alleged outstanding amounts for maintenance and cleaning services provided to the Parent Company. The matter was initially referred to the Pre-Litigation Mediation and Conciliation Centre, which issued a non-starter report. Subsequently, the claimant has issued a notice under Section 21 of the Arbitration and Conciliation Act for invocation of arbitration, to which the Company is in the process of responding. Based on the facts of the case and legal assessment available as at the reporting date, management believes that the likelihood of an outflow of economic resources is remote and therefore no provision has been recognised in the financial statements.

IV The Parent Company has received an assessment order for Assessment Year 2023-24 from the Income Tax Department involving a transfer pricing adjustment under Section 92CA of the Income-tax Act, 1961 amounting to ₹5.46 millions. Pursuant to the adjustment, a tax demand of ₹1.63 millions has been raised. The Company has deposited ₹.33 millions (being 20% of the demand) and has filed an appeal before the Commissioner of Income Tax (Appeals) against the assessment order dated 17 March 2026. Based on legal advice and management's assessment of the merits of the case, the Company believes that it has a reasonable basis to contest the demand and accordingly no provision has been considered necessary in the financial statements.

b) Commitments

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Capital commitment: Estimated amount of contracts remaining to be executed on the capital account (net of related capital advances)	244.21	218.81	471.91

The Group does not have any other long term commitments or material non cancellable contractual commitments, which may have a material impact on the restated financial statement.

44 Related party transactions

a) Ultimate Controlling entity

OP Munjal Holding (Partnership firm). It is held by significant beneficial owner Mr. Pankaj Munjal effectively controlling the said firm.

b) The following are the details of transactions not eliminated on consolidation as per Ind AS 24 read with ICDR regulations during the year ending March 31, 2026,March 31, 205 and March 31, 2024.

Nature of Relationship	Name of the Related Party
Subsidiaries	Hero Motors Thai Ltd. Hero EDU Systems Private Limited Hewland Engineering Limited Spur Technologies Private Limited Munjal STP Industries Private Limited HYM Drive Systems Private Limited
Enterprise over which Key Managerial Personnel exercise Significant influence	Bhagyoday Investments Private Limited Firefox Bikes Private Limited Hero Cycles Limited HMC E-Valley Private Limited Hero Global Designs Limited Hero Transmission Private Limited Bsh Ventures Private Limited High Rise Industries Lectro E-Mobility Private Limited Munjal Kiriu Industries Private Limited Munjal Sales Corporation HNF Gmbh Nuvomax Nutritionals Private Limited OMA Living Private Limited Hero International BV Meenakshi Polymer Private Limited ZF Hero Chassis Systems Private Limited

Directors		
Mr. Pankaj Munjal	Director and Shareholder	
Mr. Amit Gupta	Managing Director & Chief Executive Officer	Appointment-September 09,2022
Mr. Abhishek Munjal	Whole-time Director	September 09,2022
Mrs. Ruhani Munjal	Spouse of Mr. Abhishek Munjal	
Mr. Keshav Misra	Non-Executive Director	Appointment-September 09,2022
Mr. Andrew Charles Palmer	Independent Director	Appointment-July 16,2024
Mr. Ashok Kumar Taneja	Independent Director	Appointment-August 08,2024
Mr. Sridhar Narayan	Non-Executive Nominee Director	Appointment-February 01,2023
Mr. Kulbir Singh	Independent Director	Appointment-February 01,2023
Ms. Pratibha Goyal	Independent Director	Appointment-May 26,2021
Mr Gaurav Dalmia	Independent Director	Appointment-August- 13,2024 Cessation November 06, 2024
Ms Jyoti Arora	Independent Director	Appointment-January 28,2025

b)

Key Management Personnel (KMP) & Close Member of Key Management Personnel		
Mr. Darpan Vashishtha	Chief Financial Officer	Cessation-October 13,2023
Mr Ritesh Kumar Agrawal	Chief Financial Officer	Appointment-February 16, 2024
		Cessation-June 25,2025
Mr Utkarsh Sanghi	Chief Financial Officer	Appointment-June 25, 2025
Ms. Sheeba Dhamija	Company Secretary	Appointment-May 01,2022
		Cessation-July 19,2024
Sakshi Dureja	Company Secretary and Compliance Officer	Appointment-August 12, 2024
		Cessation-December 11,2024
		Reappointment-July 29, 2026
Esha Gupta	Company Secretary and Compliance Officer	Appointment-December 12, 2024
		Cessation-February 28,2026

C) Related Party Transactions

S.No	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2024
1	**Sale of goods and services**			
	Hero Cycles Limited	82.77	66.80	57.92
	High Rise Industries	1.71	-	-
	Munjal Kiriu Industries Private Limited	99.49	53.46	-
	ZF Hero Chassis Systems Private Limited	8.46	-	-
	HMC E-Valley Private Limited	274.81	83.07	70.84
	Firefox Bikes Pvt. Ltd	5.24	-	0.17
2	**Purchase of goods**			
	Munjal Kiriu Industries Private Limited	129.29	254.06	213.41
	HMC E-Valley Private Limited	1.93	2.00	11.80
	High Rise Industries	153.14	155.44	170.59
	Hero Cycles Limited	1.14	0.001	1.92
	Lectro E-Mobility Private Limited	-	-	0.10
	Oma Private Limited	0.40	0.14	0.12
	Meenakshi Polymer Private Limited	8.55	14.83	17.29
3	**Purchase of property, plant and equipment**			
	Oma Private Limited	-	1.57	-
	Hero Cycles Limited	0.67	-	-
4	**Sale of property, plant and equipment**			
	High Rise Industries	0.54	-	-
5	**Consultancy fees**			
	Nuvomax Nutritionals Private Ltd	4.43	23.48	18.35
6	**Purchase of service (Job work charges)**			
	Hero Cycles Limited	223.36	223.42	241.65
	HMC E-Valley Private Limited	14.51	1.80	-
7	**Loan received**			
	Hero Cycles Limited	-	-	38.10
8	**Loan repaid**			
	Hero Cycles Limited	-	-	88.10
	Bhagyoday Investments (P) Ltd	-	-	50.00
9	**Purchase of shares**			
	Hero Cycles Limited	-	-	111.00
10	**Other income**			
	Hero Cycles Limited	-	-	30.00
11	**Royalty income**			
	Hero Cycles Limited	-	-	0.30
12	**Interest paid**			
	Hero Cycles Limited	-	-	2.94
	Bhagyoday Investments (P) Ltd	-	-	4.14
13	**Reimbursement Of Expenses Paid/(Received)**			
	Hero Cycles Limited	(22.10)	10.16	0.38
	Hero Global Designs Limited	0.07	0.13	-
	HMC E-Valley Private Limited	9.52	6.78	0.89
14	**Purchase of Property plant and equipment's (land)**			
	Hero Cycles Limited	-	-	230.88
15	**Rental expenses / payable**			
	Hero Cycles Limited	0.08	0.12	0.04
16	**Rental Income**			
	Hero Cycles Limited	0.14	-	-

S.No	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2024
17	**Lease liability paid for right-of-use assets**			
	HMC E-Valley Private Limited	75.00	15.00	17.70
18	**Dividend Paid**			
	Hero Cycles Limited	-	1.93	-
19	**Other expense**			
	Hero Global Designs Limited	-	-	0.24
	HMC E-Valley Private Limited	4.60	4.60	1.68
	Hero Cycles Limited	-	-	5.00
20	**Remuneration paid to Key Management Personnel (refer note (c) below)**			
	Amit Gupta**	47.90	36.47	39.66
	Darpan Vashishtha	-	-	9.35
	Ritesh Kumar Agrawal (DOL-25-June-2025)	5.74	14.33	1.67
	Utkarsh Sanghi (DOJ - 25-June-2025)	5.22	-	-
	Abhishek Munjal	33.62	32.76	33.51
	Prerna Joshi	-	-	-
	Rohit Maheshwari			-
	Sheeba Dhamija	-	0.67	2.10
	Sakshi Dureja	-	0.54	-
	Esha Gupta (DOL-28-Feb-2026)	4.00	1.03	-
21	**Remuneration paid to Relative of Key Management Personnel**			
	Ruhani Munjal	2.42	2.26	2.09
22	**Share issued under ESOP Scheme**			
	Amit Gupta**	9.51	38.06	-
23	**Directors sitting Fees:**			
	Ms. Pratibha Goyal	0.16	0.15	0.06
	Ms.Jyoti Arora	0.11	-	-
	Mr. Kulbir Singh	0.21	0.14	0.10
	Mr. Ashok Kumar Taneja	0.14	0.04	-
	Mr. Andrew Charlse Parmer	0.06	0.03	-
	Mr. Gaurav Dalmia	-	0.01	-

Include ₹ 5 Mn Paid by Subsidiary

i) Closing Balances

S.No	Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
a.	**Trade receivable**			
	HMC E-Valley Private Limited	46.07	82.41	64.06
	Hero Global Designs Limited	-	-	0.11
	Lector E-Mobility Private Limited			-
	Hero Cycles Limited	17.75	8.97	5.29
	Munjal Kiriu Industries Private Limited	-	8.24	-
	Firefox Bikes Pvt. Ltd	0.26	-	0.22
b.	**Trade payable**			
	Munjal Kiriu Industries Private Limited	26.74	113.44	120.00
	Nuvomax Nutritionals Private Limited	-	-	2.80
	Zf Hero Chassis Systems Private Limited	-	-	0.55
	High Rise Industries	4.66	2.55	6.20
	Hero Lectro (A Div of Hero Cycles Ltd)	-	-	0.39
	Hero Cycles Limited	-	-	-
	HMC E-Valley Private Limited	-	0.02	-
	Meenakshi Polymer Private Limited	1.38	1.41	2.33
	Oma Living Private Limited	-	-	0.01
	HNF Gmbh			0.17
c.	**Other payable**			
	Hero Cycles Limited	41.38	100.11	134.39
	HMC E-Valley Private Limited	20.24	1.46	-
	Nuvomax Nutritionals Private Limited	0.60	1.02	-
	Hero Global Designs Limited	-	0.004	-
d.	**Other Receivable**			
	Hero Global Design Limited	0.003	-	-
	Nuvomax Nutritionals Private Ltd			-
	HMC E-Valley Private Limited	0.05	0.55	-
	Oma Private Limited	0.02	-	-
	Amit Gupta	-	2.92	-
e.	**Other advance**			
	Hero Cycles Limited	-	-	166.70
f.	**Payable against purchase of property plant and equipment**			
	Hero Cycles Limited	22.82	22.82	22.82

Note1: a) The Parent Company has given guarantee to finance long term loan taken by subsidiary Spur technologies private limited upto maximum exposure of ₹ 159.00 million. The outstanding balance of drawdown as on March 31, 2026 is ₹ 50.13 millions. (March 31, 2025 ₹ 89.83 millions, March 31, 2024 is ₹ 110.37 million).This guarantee is applicable till the tenure of loan.

b) The Parent Company has given Standby letter of credit to finance long term loan and working capital facilities taken by subsidiary Hero Motors Thai Limited upto maximum exposure as on March 31, 2026 is ₹ 730.23 (March 31, 2025: ₹ 470.91 millions and March 31, 2024 ₹ Nil). The outstanding balance of drawdown as on March 31, 2026 is ₹ 5,96.47 millions (March 31, 2025: ₹ 435.56 millions and March 31, 2024 ₹ Nil).

c) Standby letter of credit to finance working capital facilities taken by subsidiary Hewland Engineering Limited upto maximum exposure as on March 31, 2026 is ₹519.11 millions (March 31, 2025: ₹ 287.83 millions and March 24: ₹ Nil). The outstanding balance of drawdown as on March 31, 2026 is ₹ 409.17 Lakhs (March 31, 2025: ₹ 261.59 millions and March 31, 2024 ₹ Nil).

Note 2: a) Refer Note 21 , for movement of shareholding pattern from erstwhile shareholders to new shareholders.

c)** The status of stock options pending vesting/exercise, granted to Key Management Personnels are as below:

Name of Key Management Personnel	**Amit Gupta**		**Mr. Keshav Misra**
ESOP scheme	ESOP 2022		ESOP 2022
ESOP Tranche	Tranche-1	Tranche-2	Tranche-1
Exercise price (INR per option)	10	69.1	69.1
Share options outstanding as at Mar 31, 2026 (In Nos)	47,57,639	49,43,511	39,54,809
Share options outstanding as at Mar 31, 2025 (In Nos)	57,09,167	49,43,511	39,54,809
Share options outstanding as at Mar 31, 2024 (In Nos)	95,15,278	49,43,511	39,54,809

The following are the details of transactions eliminated on consolidation as per Ind AS 24 read with ICDR regulations during the year ended March 31, 2026 , March 31, 2025 and March 31, 2024.

Transactions during year ended in the books of Hero Motors Limited:

	Name of related party	Relationship	Nature of Transaction	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Spur Technologies Private Limited	Subsidiary	Sale of Goods / Service	1.78	13.23	1.65
			Sale of assets	0.42	2.21	-
			Purchase of Goods	356.03	136.81	
			Interest income on loan	-	-	1.63
			Rental Income	0.02	0.03	0.03
2	Hero Motor Thai Limited	Subsidiary	Sale of Goods	17.63	23.52	41.48
			Interest income on loan	19.68	39.58	25.95
3	Hewland Engineering Limited	Subsidiary	Sale of Goods	0.06	-	2.94
			Purchase of goods	-	7.12	-
			Purchase of Property, Plant and Equipment	5.60	5.25	-
			Purchase of service	-	2.06	
			Interest income on loan	7.92	22.74	2.59
4	Hym Drive Systems Private Limited	Subsidiary	Sale of Goods	0.42	3.59	1.69
			Interest income on loan	18.73	9.58	0.84
5	Hero EDU Systems Private Limited	Subsidiary	Sale of Goods	5.74	0.68	9.91
			Purchase of goods	0.04	-	-
			Sale of assets	-	1.62	-
			Rental Income	2.63	1.80	1.40
			Interest income on loan	27.88	11.65	-
6	Munjal STP	Subsidiary	Rental income	0.04	-	-

Transactions during the year ended in the books of Hym Drive Systems Private Limited:

6	Hero EDU Systems Private Limited	Fellow Subsidiary	Sale of Goods	74.47	30.91	9.60
			Sale of Services	15.52	-	-
7	Hewland Engineering Limited	Fellow Subsidiary	Purchase of Goods Purchase of Asset	0.41	0.01	

Transactions during the period / year ended in the books of Spur Technologies Private Limited:

8	Hero EDU Systems Private Limited	Fellow Subsidiary	Sale of Goods	-	-	0.005

Transactions during the year ended in the books of Hero EDU Systems Private Limited :

9	Hym Drive Systems Private Limited	Fellow Subsidiary	Sale of Goods	0.05	-	-

Balances at year end in the books of Hero Motors Limited :

S.No	Name of related party	Relationship	Nature of Transaction	As at March 31, 2024	As at March 31, 2025	As at March 31, 2026
1	Spur Technologies Private Limited	Subsidiary	Loan Receivable			-
			Investment in Equity Shares	465.52	380.02	292.02
			Trade Receivables	-	63.52	2.84
			Other Receivable	4.46	0.86	-
			Trade payable	36.21	12.55	-
			Other payable	-	0.35	-
2	Hero Motor Thai Limited	Subsidiary	Loan Receivable	158.32	269.57	541.27
			Investment in Equity Shares	176.93	141.89	141.89
			Trade Receivables	22.60	28.07	28.20
			Interest Receivable	18.86	66.91	74.61
			Other Receivable	5.00	-	-
3	Hewland Engineering Limited	Subsidiary	Loan Receivable	91.76	77.09	243.82
			Investment in Equity Shares	1.01	1.01	1.01
			Interest Receivable	9.24	2.79	6.21
			Trade Receivables			0.62
			Other Receivable			0.06
			Trade Payable	0.99	2.21	-
			Other payable	-	4.89	-

4	Hym Drive Systems Private Limited	Subsidiary	Loan Receivable	284.50	156.00	64.60
			Investment in Equity Shares	288.00	288.00	288.00
			Trade Receivables	7.69	4.25	3.43
			Interest Receivable	5.92	9.79	1.29
			Other Receivable		2.01	
5	Hero EDU Systems Private Limited	Subsidiary	Loan Receivable	365.00	176.50	122.50
			Investment in Equity Shares	275.00	175.00	10.00
			Trade Receivables	-	-	2.53
			Other Receivable	106.84	72.33	39.44
			Interest Receivable	12.96	14.13	4.06
6	Munjal STP Industries Private Limited	Subsidiary	Investment in Equity Shares	52.30	-	-
			Other Receivable	4.93	-	-

Balances at year end in the books of Hym Drive Systems Private Limited:

7	Hero EDU Systems Private Limited	Fellow Subsidiary	Trade Receivables	-	-	2.80
			Tooling Advance	-	3.53	-
			Other Payable	-	0.00	-
			Trade Receivables	29.94	3.39	-
				-	-	-
8	Hewland Engineering Limited	Fellow Subsidiary	Trade Receivables	0.27	-	-

Balances at year ended in the books of Spur Technologies Private Limited:

9	Hym Drive Systems Private Limited	Fellow Subsidiary	Trade Receivables	-	-	0.01

Note1: **The Parent Company has given :**

a) Loan to Hewland Engineering Limited, carries interest rate ranges @ 7.25% to 9.00% p.a. and is repayable as per the schedule defined in agreement.

b) Loan to Hero EDU Systems Private Limited and HYM Drive Systems Private Limited is repayable on demand in 4 years (Including Moratorium of one year) carries interest rate @ 9% p.a

c) to SPUR Technology Private Limited by Hero Cycles Limited and Bhagyodaya Investment Private Limited is repayable on demand and carries interest rate @ 9.00% p.a.

44 **Ultimate Beneficiary**

(i) The Parent Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (ultimate beneficiaries)

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(ii) The Parent Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding parties) with the understanding (whether recorded in writing or otherwise) that the Parent Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties (ultimate beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

46 Fair value measurements

I Financial instruments

a) Financial instruments by category

Except investment in mutual funds which are measured at fair value through profit or loss and Investment in Debentures and unquoted equity investment which are measured through fair value through other comprehensive income all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings, are measured at amortised cost.

b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the consolidated financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.
The following table shows the carrying amounts and fair values of financial assets and financials liabilities, including their levels of in the fair value hierarchy:

Particulars	Level	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	Level 1	23.10	21.61	66.76
Forward contract receivable	Level 1	14.44	5.95	3.26
Financial assets measured at fair value through other comprehensive income				
Investments in equity shares of others - (unquoted)		3.45	3.45	2.01
Investments in debenture of others - (unquoted)		26.57	26.57	13.61
Financial assets measured at amortised cost				
Loan to employees		26.72	24.77	19.13
Deposits with bank and others		6.11	6.00	15.53
Security deposits		49.08	49.81	49.12
Interest accrued but not due on margin money		3.84	9.64	25.17
Interest accrued and due on deposit with Punjab State Power Corporation Limited		2.01	1.46	0.39
Other receivable		304.88	297.49	182.19
Trade receivables		2,529.02	2,023.31	1,947.87
Cash and cash equivalents		223.92	94.48	422.61
Bank balances other than cash & cash equivalents		200.00	383.10	460.00
Total Financial Assets		**3,413.14**	**2,947.64**	**3,207.65**
Financial liabilities valued at amortised cost				
Borrowings		4,007.89	4,076.22	3,039.98
Security deposits		0.11	0.12	0.22
Interest accrued but not due on borrowings		4.87	5.37	4.30
Interest accrued and due on borrowings		-	-	-
Trade payables		1,403.46	1,372.07	1,362.47
Employee benefit payable		36.46	39.45	29.64
Liability for acquisition of Spur Technologies Private Limited		-	-	-
Payable to related parties		38.84	87.63	134.67
Bill discounting / factoring		1,427.00	418.18	756.89
Lease liabilities		698.28	240.17	299.93
Creditors for capital goods		175.39	179.20	140.89
Recognition of call option liability related to Hewland Engineering (Refer Note 22(11)		19.33	-	-
Liability for acquisition of Hewland Engineering Limited		75.38	-	-
Total Financial Liabilities		**7,887.00**	**6,418.41**	**5,768.99**

c) Capital management

The group's capital management objectives are:
(a) to ensure the group's ability to continue as a going concern
(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
For the purpose of Group's capital management, capital includes equity attributable to the equity shareholders of the group and other equity reserves. The primary objective of the group capital management is to ensure that it maintains an efficient capital structure and maximize shareholders value.

Gearing Ratio

The Group has outstanding long term debt of ₹ 987.69 millions at the end of reporting period (March 31, 2025 ₹ 1,233.69 millions; March 31, 2024: ₹ 817.53 millions;) and short term debt of ₹ 3,020.20 millions (March 31, 2025 2,842.53 millopns,March 31,2024: ₹ 2,222.45 millions). Accordingly, the gearing ratio is worked out as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Long term borrowing (Refer Note 23)	987.69	1,233.69	817.53
Short term borrowing (Refer Note 24)	3,020.20	2,842.53	2,222.45
Lease liability (Refer note 8)	698.28	240.17	299.93
Total Debt	**4,706.17**	**4,316.39**	**3,339.91**
Less: Cash and bank balances	423.92	477.58	882.61
Adjusted net debt	**4,282.25**	**3,838.81**	**2,457.30**
Total equity	**4,810.08**	**4,260.08**	**3,748.16**
Adjusted net Debt to Equity	89.03%	90.11%	65.56%

47 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of trade and other payables, borrowings, current maturities of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Groups' principal financial assets includes investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Group has exposure to the following risks arising from financial instruments:
- credit risk,
- liquidity risk and
- market risk.

The Group's senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

A. Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.
The parent company also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Group's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2026	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	3,020.20	987.69	-	**4,007.89**
Trade payables	1,403.46	-	-	**1,403.46**
Lease liabilities	84.00	325.97	554.84	**964.81**
Other financial liabilities	1,696.10	81.28	-	**1,777.37**
Total	**6,203.76**	**1,394.93**	**554.84**	**8,153.53**

As at March 31, 2025	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	2,842.53	1,233.69	-	**4,076.22**
Trade payables	1,372.07	-	-	**1,372.07**
Lease liabilities	74.82	171.47	52.22	**298.51**
Other financial liabilities	648.58	81.37	-	**729.95**
Total	**4,938.00**	**1,486.53**	**52.22**	**6,476.75**

As at March 31, 2024	**Less than 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings	2,222.45	817.53	-	**3,039.98**
Trade payables	1,362.47	-	-	**1,362.47**
Lease liabilities	69.18	219.30	66.71	**355.19**
Other financial liabilities	1,019.53	47.08	-	**1,066.61**
Total	**4,673.63**	**1,083.91**	**66.71**	**5,824.25**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in its total borrowing portfolio.

Interest Rate Sensitivity: The sensitivity analysis in the following sections relate to the position as at March 31, 2026,March 31, 2025 and March 31, 2024 The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Parent Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	**Increase or decrease in basis points**	**Decrease / (increase) in profit before tax**
March 31, 2026	+50	21.37
	-50	(21.37)
March 31, 2025	+50	21.30
	-50	(21.30)
March 31, 2024	+50	15.64
	-50	(15.64)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Unhedged foreign currency exposure

The carrying amount of the Company's unhedged foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

Particulars	As at Mar 31, 2026		As at Mar 31, 2025		As at Mar 31, 2024	
	Currency	₹ Foreign currency	₹	Foreign currency	₹	Foreign currency
-Trade payables/other financial liabilities						
	EUR	(29.91) (0.28)	(14.41)	(0.16)	(9.95)	(0.11)
	CHF	(0.23) (0.002)	(0.20)	(0.002)		
	GBP	(4.26) (0.03)	-	-	-	-
	USD	(67.50) (0.71)	(79.15)	(0.93)	(7.07)	(0.08)
	TWD		-	-	(3.13)	(1.20)
-Trade receivables						
	EUR	395.76 3.63	278.27	3.02	69.91	0.78
	USD	644.69 6.80	460.63	5.39	320.44	3.84
	GBP	0.07 0.001	-	-	-	-
-Other financial assets						
	EUR	- -	92.09	1.00		

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The following tables demonstrate the sensitivity (strengthening or weakening of Indian Rupee) to a reasonably possible change in exchange rates, with all other variables held constant.

	Impact on profit before tax			Impact on total equity		
	Year ended Mar 31, 2026	Year ended Mar 31, 2025	Year ended Mar 31, 2024	As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2024
USD sensitivity						
Increase by 5 %	29.80	20.13	15.73	29.80	20.13	15.73
Decrease by 5 %	(29.80)	(20.13)	(15.73)	(29.80)	(20.13)	(15.73)
	-	-	-	-	-	-

	Impact on profit before tax			Impact on total equity		
	Year ended Mar 31, 2026	Year ended Mar 31, 2025	Year ended Mar 31, 2024	As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2024
EURO sensitivity						
Increase by 5 %	19.63	17.85	8.85	19.63	17.85	8.85
Decrease by 5 %	(19.63)	(17.85)	(8.85)	(19.63)	(17.85)	(8.85)
	-	-	-	-	-	-

	Impact on profit before tax			Impact on total equity		
	Year ended Mar 31, 2026	Year ended Mar 31, 2025	Year ended Mar 31, 2024	As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2024
GBP sensitivity						
Increase by 5 %	(0.17)	-	7.19	(0.17)	-	7.19
Decrease by 5 %	0.17	-	(7.19)	0.17	-	(7.19)
	-	-	-	-	-	-

	Year ended Mar 31, 2026	Year ended Mar 31, 2025	Year ended Mar 31, 2024	As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2024
TWD sensitivity						
Increase by 5 %	-	-	(0.16)	-	-	(0.16)
Decrease by 5 %	-	-	0.16	-	-	0.16
	-	-	-	-	-	-

	Impact on profit before tax			Impact on total equity		
	Year ended Mar 31, 2026	Year ended Mar 31, 2025	Year ended Mar 31, 2024	As at Mar 31, 2026	As at Mar 31, 2025	As at Mar 31, 2024
CHF sensitivity						
Increase by 5 %	0.02	0.01	0.01	0.02	0.01	0.01
Decrease by 5 %	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
	-	-	-	-	-	-

Note: External commercial borrowing is not prone to foreign exchange sensitivity risk as the same has been hedged.

48 Segment Reporting

The primary reporting of the Group has been performed on the basis of business segment. The Group is organised into key business segments – Power Train and Alloy & Metallics . Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

The following is the segment information :

Particulars	Power train			Alloy & Metallics			Total		
	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,	For the year ended March 31,
	2026	2025	2024	2026	2025	2024	2026	2025	2024
1. REVENUE									
External sales (Gross)	6,179.02	5,094.33	5,067.19	5,355.73	5,411.15	5,326.82	11,534.75	10,505.48	10,394.01
Other operating income	198.51	248.14	135.12	150.25	142.31	114.73	348.76	390.45	249.85
Total revenue	**6,377.53**	**5,342.47**	**5,202.31**	**5,505.98**	**5,553.46**	**5,441.55**	**11,883.51**	**10,895.93**	**10,643.86**
2. **RESULTS**									
Segment results	1,040.86	675.69	670.27	(159.03)	62.31	298.74	881.83	738.00	969.01
Unallocated expenses (net of income)	-	-	-			-	136.59	22.59	(382.76)
Operating profit	**1,040.86**	**675.69**	**670.27**	**(159.03)**	**62.31**	**298.74**	**1,018.42**	**760.60**	**586.25**
Finance Cost	-	-	-	-	-	-	408.38	369.84	343.13
Profit before tax	-	-	-	-	-	-	**610.04**	**390.76**	**243.12**
Provision for taxation	-	-	-	-	-	-	198.36	62.80	72.77
Restated net profit after tax							**411.68**	**327.96**	**170.35**

	As at March 31			As at March 31			As at March 31		
	2026	**2025**	**2024**	**2026**	**2025**	**2024**	**2026**	**2025**	**2024**
3. **OTHER INFORMATION**									
A. ASSETS									
Segment assets	8,998.81	6,661.73	4,610.60	3,255.85	2,561.82	2,868.81	12,254.65	9,223.55	7,479.41
Unallocated assets						-	1,463.63	2,422.65	3,119.14
Total assets	**8,998.81**	**6,661.73**	**4,610.60**	**3,255.85**	**2,561.82**	**2,868.81**	**13,718.28**	**11,646.20**	**10,598.55**
B. EQUITY AND LIABILITIES									
Equity (Share Capital & Other Equity)			-			-	4,810.08	4,260.08	3,748.16
Segment liabilities	2,903.43	2,304.07	2,010.72	1,764.95	965.31	1,698.28	4,668.38	3,269.38	3,709.00
Secured and unsecured loans	1,044.47	717.06	294.42	50.13	89.83	110.37	1,094.60	806.89	404.79
Unallocable Secured and unsecured loans			-			-	2,745.91	3,269.33	2,635.18
Unallocated liabilities			-			-	399.31	40.52	101.42
Total equity and liabilities	**3,947.90**	**3,021.13**	**2,305.14**	**1,815.08**	**1,055.14**	**1,808.65**	**13,718.28**	**11,646.20**	**10,598.55**
C. OTHERS									
Capital expenditure	630.81	1,039.35	1,002.47	219.20	320.08	367.48	850.01	1,359.43	1,369.95
Depreciation and amortisation expense	380.38	311.05	216.36	79.02	68.39	69.45	459.41	379.44	285.81
Unallocated non cash expenses other than depreciation	-	-	-	-	-	-	105.03	148.17	394.62

Geographical information

Secondary segment reporting is performed on the basis of geographical location of customers. The operations of the Group are 58.64% (March 31, 2025 59.06%, March 31,2024 : 58.72%,) in India, with exports contributing to approximately 41.36% (March 31, 2025 : 40.94%, March 31,2024 : 41.28%) of its period sales. The management views the Indian market and export market as distinct geographical segments.

Revenue from external customers (Refer note 32)

Non-current operating assets:

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
India	5,297.50	4,691.72	3,715.79
Outside India	2,012.36	1,373.23	1,070.58
Total	**7,309.86**	**6,064.95**	**4,786.37**

Non-current assets for this purpose consist of Property, plant and equipment, right-of-use assets, capital work in progress and intangible assets.

Segment accounting policies:

In addition to the material accounting policies applicable to the operating segments as set out in note 2.1, the accounting policies in relation to segment accounting are as under:

(i) **Segment revenue and expenses:**

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(ii) **Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables , inventories and property, plant and equipment, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consists principally of trade payables. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

Segment revenue and profit

The expenses that are not directly attributable to the business segments are shown as unallocable expenses.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and Property plant and equipment's. Assets at the unallocable level including cash and bank balances, loans, other financial asset, investment and tax assets are not allocable to segments on a reasonable basis and thus the same have not been allocated.
Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

The Group largest customers who represents more than 10% of the total revenues are as follows;

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Customer A	4,314.82	4,243.95	4,134.76
Customer B	1,251.04	-	948.39

49 Scheme of Arrangement ('Scheme')

The Board of Director of Hero Cycle Limited (HCL) ("Transferor Company") as its meeting held on August 27, 2021 had approved a scheme and subsequently filed with National Company Law Tribunal (NCLT) for demerger of Auto business of HCL into Parent Company (Hero Motors Limited) ("resulting Company").

Pursuant to the scheme approved by the National Company Law Tribunal, Chandigarh Bench on November 09, 2022 for which the certified copy of the order dated November 09, 2022 was received on November 16, 2022, the Demerged Undertaking (Primarily related to Auto Business consisting, inter-alia, of all assets including movable and immovable properties and liabilities related thereto) was demerged from the Demerged Company and transferred to the Resulting Company, with effect from April 01, 2021, the appointed date.

Shareholders of the Demerged Company will receive 81,174 share of the Resulting Company for every 100 share they hold in the Demerged Company.

As per the Scheme, all assets and liabilities of the Auto Business ("Demerged Undertaking") stand transferred to the Resulting Company from the appointed date. The employees of the Demerged Undertaking have also moved to the Resulting Company and consequently the employee related benefits and all contracts and agreements in relation to them have been taken over by the Resulting Company. The approved Scheme has accordingly been given effect to in these financial statements as on the appointed date.

During the year, pursuant to the approved Scheme, the Resulting Company has given effect to the scheme in the financial statements for demerger of Demerged Undertaking. Further, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparatives for the year ended March 31, 2021 have been restated as if the common control business combination had occurred from the beginning of the earliest period presented. The Accounting treatment includes the following:

1. Assets, Liabilities and Reserves of the Demerged Undertaking transferred to and vested in the Resulting Company were recorded at their carrying values as appearing in books of the Demerged Company at the time of the demerger effective date and in accordance with requirements of relevant Ind AS.

2. The Resulting Company will issue new equity shares pursuant to the approved Scheme to the shareholders of the Demerged Company

3. The inter-company balances between Demerged Company and Resulting Company relating to Demerged Undertaking, if any, in the books of accounts of Demerged Company and Resulting Company got cancelled.

4. The difference between assets, liabilities and reserves transferred and the purchase consideration on Demerger is recorded as "Demerger Adjustment Deficit Account" of Resulting Company.

Balance as at March 31, 2022

The details of Demerged Undertaking as per the scheme approved by National Company Law Tribunal into Resulting Company is as follows:

Particulars	As on April 01, 2021
Assets	
Non-current assets	1,662.73
Current assets	3,123.15
Total assets	**4,785.88**
Equity and liabilities	
Equity	
Other equity	321.44
Total equity	**321.44**
Liabilities	
Non- current liabilities	1,386.09
Current liabilities	3,078.35
Total liabilities	**4,464.44**
Total equity and liabilities	**4,785.88**
Excess of assets over liabilities	Nil
Less: Issue of equity share capital of the Company due to demerger (Refer Note 22)	7,528.00
Amount credited to Demerger Adjustment Deficit Account pursuant to the above scheme of demerger	(7,528.00)

Note : Equity shares pending for issuance at the end of March 31, 2022 were issued in year ended March 31, 2023

50 Corporate Social responsibility expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Gross amount required to be spent by the parent company during the year	7.22	10.07	8.09
Less: Set off of excess spent in previous year	0.29	0.63	-
Gross amount required to be spent by the parent company during the year	6.93	9.44	8.09
Amount spent during the period / year on :			
- National Apprenticeship Promotion Scheme	13.94	5.79	2.78
- Other	-	3.95	5.94
Unspent amount at the end of the year	-	-	-
Amount spent during current year pertaining to previous years	-	-	2.86
Total of previous year unspent balance			-
Reason for unspent balances :			
- For 2025-26		Nil	
- For 2024-25		Nil	
- For 2023-24		Nil	
Nature of CSR activities	Skill Development and Entrepreneurship	Skill Development and Entrepreneurship	Skill Development and Entrepreneurship
Details of related party transaction to CSR expenditure as per relevant Accounting Standard :	Nil	Nil	Nil
Movement in the CSR provision during the year :			
Opening Provision	(0.29)	-	2.86
Provision made during the period	6.93	9.44	8.72
spent during the year	13.94	9.73	11.58
Provision / (excess) at the end of the year	**(7.01)**	**(0.29)**	**-**

51 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

	As at March 31, 2026		For the year ended March 31, 2026		For the year ended March 31, 2026		For the year ended March 31, 2026	
Name of the entity	**Net assets, i.e., total assets minus total liabilities**		**Share in profit**		**Share in other comprehensive income / (loss)**		**Share in total comprehensive income / (loss)**	
	As % of consolidated net assets	**Amount in ₹ millions**	**As % of consolidated profit or loss**	**Amount in ₹ millions**	**As % of total comprehensive income**	**Amount in ₹ millions**	**As % of total comprehensive income**	**Amount in ₹ millions**
Parent Company								
Hero Motor Limited	84.25 %	5,166.86	150.12 %	656.16	22.81 %	16.46	132.08 %	672.61
Subsidiary Companies								
Indian								
HYM Drive Systems Private Limited	2.65 %	162.56	(11.24)%	(49.11)	0.59 %	0.43	(9.56)%	(48.68)
Spur Technologies Private Limited	6.04 %	370.15	(3.86)%	(16.87)	0.93 %	0.67	(3.18)%	(16.20)
Hero EDU Systems Private Limited	3.54 %	216.79	(10.85)%	(47.43)	0.15 %	0.11	(9.29)%	(47.32)
Munjal STP Industries Private Limited	1.58 %	97.10	(0.35)%	(1.53)	-	-	(0.30)%	(1.53)
Foreign								
Hewland Engineering Limited	(0.39)%	(24.03)	(8.56)%	(37.42)	52.84 %	38.13	0.14 %	0.71
Hero Motors Thai Limited	2.34 %	143.29	(15.26)%	(66.71)	22.67 %	16.36	(9.89)%	(50.35)
Total (before consolidation adjustmnet)	**100%**	**6,132.72**	**100%**	**437.09**	**100%**	**72.16**	**100%**	**509.24**
Add/(less) : consolidation adjustment		(1,322.64)		(25.41)		(0.00)		(25.41)
Total (after consolidation adjustment)		**4,810.08**		**411.68**		**72.16**		**483.84**
Amount attributable to:								
-Equity holders of parent		4,746.56		435.68		53.43		489.11
-Non-Controlling interests		63.52		(24.00)		18.73		(5.27)
Total		**4,810.08**		**411.68**		**72.16**		**483.84**

	As at March 31, 2025		For the year ended March 31, 2025		For the year ended March 31, 2025		For the year ended March 31, 2025	
Name of the entity	**Net assets, i.e., total assets minus total liabilities**		**Share in profit**		**Share in other comprehensive income / (loss)**		**Share in total comprehensive income / (loss)**	
	As % of consolidated net assets	**Amount in ₹ millions**	**As % of consolidated profit or loss**	**Amount in ₹ millions**	**As % of total comprehensive income**	**Amount in ₹ millions**	**As % of total comprehensive income**	**Amount in ₹ millions**
Parent Company								
Hero Motor Limited	84.39 %	4,379.71	67.36 %	236.10	(2.39)%	(2.27)	52.48 %	233.83
Subsidiary Companies								
Indian								
HYM Drive Systems Private Limited	4.07 %	211.24	(18.53)%	(64.94)	0.05 %	0.05	(14.56)%	(64.90)
Spur Technologies Private Limited	5.80 %	300.84	(3.55)%	(12.44)	0.13 %	0.13	(2.76)%	(12.31)
Hero EDU Systems Private Limited	3.16 %	164.11	(2.37)%	(8.31)	0.07 %	0.06	(1.85)%	(8.25)
Foreign								
Hewland Engineering Limited	(0.48)%	(24.74)	48.01 %	168.28	89.47 %	85.08	56.86 %	253.36
Hero Motors Thai Limited	3.06 %	158.60	9.07 %	31.81	12.67 %	12.05	9.84 %	43.86
Total (before consolidation adjustmnet)	**100.00%**	**5,189.76**	**100%**	**350.50**	**100%**	**95.09**	**100%**	**445.59**
Add/(less) : consolidation adjustment		**(929.69)**		**(22.54)**		**-**		**(22.54)**
Total (after consolidation adjustment)		**4,260.08**		**327.96**		**95.09**		**423.05**
Amount attributable to:								
-Equity holders of parent		4,250.90		252.02		53.39		305.41
-Non-Controlling interests		9.18		75.94		41.70		117.64
Total		**4,260.08**		**327.96**		**95.09**		**423.05**

	As at March 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2024	
Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
	As % of consolidated net assets	Amount in ₹ millions	As % of consolidated profit or loss	Amount in ₹ millions	As % of total comprehensive income	Amount in ₹ millions	As % of total comprehensive income	Amount in ₹ millions
Parent Company								
Hero Motor Limited	91.37 %	4,053.86	92.17 %	189.70	(13.72)%	7.02	127.22 %	196.72
Subsidiary Companies								
Indian								
HYM Drive Systems Private Limited	6.22 %	276.14	(15.26)%	(31.41)	0.03 %	(0.02)	(20.32)%	(31.42)
Spur Technologies Private Limited	5.10 %	226.48	(26.06)%	(53.64)	(0.50)%	0.26	(34.52)%	(53.39)
Hero EDU Systems Private Limited	0.21 %	9.17	(0.28)%	(0.58)	-	-	(0.37)%	(0.58)
Foreign								
Hewland Engineering Limited	(6.27)%	(278.09)	38.99 %	80.25	114.19 %	(58.43)	14.11 %	21.81
Hero Motors Thai Limited	3.36 %	149.25	10.44 %	21.49	0.00 %	(0.00)	13.90 %	21.49
Total (before consolidation adjustmnet)	**100%**	**4,436.81**	**100%**	**205.81**	**100%**	**(51.17)**	**100%**	**154.64**
Add/(less) : consolidation adjustment		(688.65)		**(32.46)**		**(42.37)**		**(77.83)**
Total (after consolidation adjustment)		**3,748.16**		**173.35**		**(93.54)**		**76.81**
Amount attributable to:								
-Equity holders of parent		3,637.93		137.17		(60.27)		73.90
-Non-Controlling interests		110.23		36.18		(33.27)		2.91
Total		**3,748.16**		**173.35**		**(93.54)**		**76.81**

52 Summary of Restatement Adjustments

Part A: Statement of restatement adjustments to audited Consolidated Ind AS financial statements

Reconciliation between total equity as per audited financial statements and restated consolidated financial information

	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Total equity (as per audited financial statements)	4,810.08	4,260.08	3,748.16
Restatement Adjustments	-	-	-
Total Adjustments	**-**	**-**	**-**
Total equity as per restated consolidated summary statement of assets and liabilities	**4,810.08**	**4,260.08**	**3,748.16**

Reconciliation between audited profit/(loss) and restated profit/(loss)

	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(Loss) after tax (as per audited Consolidated Ind AS financial statements	**411.68**	**327.96**	**170.35**
Restatement adjustments	-	-	-
Total Adjustments	-	-	-
Restated profit/(loss) after tax for the year	**411.68**	**327.96**	**170.35**

Notes to Adjustment :

i) Audit qualifications - There are no audit qualifications in auditor's reports for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024.

ii) Material regrouping/reclassification - Appropriate regrouping/reclassification has been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Changes in Equity and Restated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited prepared in accordance with Schedule III (Division II) of the Act, as amended, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR Regulations, 2018, as amended.

53 Financial Ratios

Description	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	% change FY26 vs FY25	% change FY25 vs FY24	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.94	1.00	1.09	(6.0)%	(8.4)%	NA
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.83	0.96	0.81	(12.9)%	18.0 %	NA
Debt Service Coverage ratio	Earnings available for debt service= Net Profit after Tax + Non Cash Operating Expenses(Depreciation and amortization)+Finance cost	Debt Service= Interest, and Principal Repayments	1.75	1.85	2.66	(5.4)%	(30.5)%	The ratio decreased by 30.5% in FY25 as compared to FY24 primarily due to higher debt servicing obligations arising from additional borrowings and increased finance costs during the year.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	9.08%	8.19%	4.78%	10.8 %	71.2 %	The ratio improved by 71.2% in FY25 as compared to FY24 primarily due to higher profitability and improved returns generated on shareholders' funds.
Inventory Turnover ratio	Revenue	Average Inventory	5.95	5.87	5.67	1.3 %	3.6 %	NA
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	5.22	5.49	4.78	(4.9)%	14.9 %	NA
Trade Payable Turnover Ratio	Purchases of goods and services	Average Trade Payables	8.56	7.97	7.48	7.5 %	6.6 %	NA
Net capital Turnover ratio	Revenue	Average net Working capital= Current assets – Current liabilities	(61.65)	48.25	12.75	(227.8)%	278.4 %	The ratio increased in FY25 owing to improved revenue generation and efficient utilization of working capital. In FY26, the ratio declined and turned negative due to higher current liabilities, including supplier financing and bill discounting arrangements, resulting in negative net working capital.
Net Profit ratio	Net Profit after tax.	Revenue	3.46%	3.01%	1.60%	15.1 %	88.1 %	The ratio improved by 88.1% in FY25 primarily due to higher profit after tax supported by improved operating performance and revenue growth
Return on Capital Employed	Earnings before interest and taxes and Depreciation and Sharebased payment (non-cash)	Average Capital Employed=Tangible Net Worth + Total Debt + Deferred Tax Liability-Cash and cash equivalent	19.77%	18.84%	23.23%	5.0 %	(18.9)%	NA
Return on Investment	Income from Investment	Total Investment	18.80%	14.74%	14.55%	27.6 %	1.2 %	The increase in income mainly on account of Mark to market gain on forward contract recognised in FY 26.

Note: 1) Reasons have been explained for variance in which % of change is more than 25% as compared to previous year.

54 Transfer Pricing:

The Parent Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the period / year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

55 There are no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Group.

56 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

57 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Parent Company . The CSR activities and spend are as per the CSR Policy recommended by the CSR Committee and approved by the Board.

58 Relationship with Struck-off Companies

Parent and its subsidiary companies incorporated in India has not entered into any transaction with struck-off companies i.e., investments in securities, receivables, payables, shared held by struck off companies and other balances during the period.

59 Registration of charges or satisfaction with Registrar of Companies

There is no charge created on the assets of the Group with the Registrar of Companies other than those disclosed in note number 23.

60 Details of Crypto Currency or Virtual Currency

The Group has not done any investment or trading in crypto and virtual currencies.

61 The Group does not have any Benami property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

62 The Group has not been declared as a wilful defaulter by any lender who has powers to declare a Company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

63 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(is), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

64 The group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

65 The group wherever applicable does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

66 The Parent company has declared and paid final dividend ₹ Nil (March 31, 2025 ₹ 94.21 millions (₹0.25 per share) during the and interim dividend ₹ 93.57 million during the year ended March 31, 2024.

67 **Non Adjusting Event :** The Parent Company has issued fully and compulsorily convertible preference shares (CCPS) of INR 10 each pursuant to the Share Subscription and Purchase Agreement dated 7th December 2022. Each CCPS carries a non-cumulative dividend of 0.0001% per annum in priority to Equity Shares and a preferential right to dividend and repayment of capital on winding up, and is participating in surplus assets and profits thereafter. The CCPS shall mandatorily convert into Equity Shares of INR 10 each on the later of (i) 7 December 2032 (tenth anniversary of the Execution Date) and (ii) the Business Day immediately prior to the date of filing of the Red Herring Prospectus with SEBI in connection with an IPO of the Company; in addition, the Investor may, at its option, convert some or all of the CCPS at any time prior to such Mandatory Conversion Date, with Equity Shares to be allotted within ten Business Days of exercise. Each CCPS carries voting rights equivalent to those exercisable if it had been converted into Equity Shares prior to the relevant general meeting. The CCPS are not redeemable and are compulsorily convertible into Equity Shares.

The conversion of CCPS into equity shares was approved by the Board of Directors on the same date as the approval of the financial statements. The Board further resolved that such CCPS shall be converted into equity shares before the filing of the Red Herring Prospectus (RHP) with SEBI.

68 The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

69 As per the notification of the Ministry of Corporate Affairs (MCA) dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022 which amended the Companies (Accounts) Rules, 2014 (hereinafter referred as 'Rules'). As per said Rules, the Companies are, inter-alia, required to maintain back-up of the books of accounts and other relevant books and papers in electronic mode in servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Companies which are part of the group and incorporated in India are maintained in electronic mode and the same is physically located in India and backups are being carried out on a daily basis.

70 The Parent Company is in the process of launching its initial public offer (IPO), accordingly the Parent Company is in the process of filing the DRHP with Securities and Exchange Board of India (SEBI). The Parent Company has incurred initial public offer related expenses of ₹ 181.33 millions in connection with proposed public offer of equity shares. The initial public offer related expenses shall be shared in proportion mutually agreed between the Parent Company and the Selling Shareholders in accordance with applicable law. The Parent Company' share of expenses will be adjusted against securities premium to the extent permissible under Section 52 of the Companies Act, 2013 on successful completion of initial public offer.

71 The Parent Company had entered into agreement of lease of land from Hero Cycles Limited for 10 years which was expiring on March 31, 2032; During the financial year ended March 31, 2024, the Company has entered into an agreement to buy this land at a consideration of ₹ 228.20 millions and continued to hold the possession of the land and accordingly has terminated the land lease agreement. The Company has paid ₹ 205.38 millions towards purchase consideration of the land and has disclosed the balance amount payable under the head capital creditors and has capitalized the land as free hold land and has reclassified the building constructed on this land from leasehold improvements to buildings. Further, net gain on account of cancellation of land lease agreement (accounted as right of use assets and lease liability) has been credited under the head 'Other income' in Note 33 in financial year 2023-24.
During the year ended March 31, 2024 the Parent Company has got land of ₹ 205.38 millions (6.65 acres) in its name and registration charges paid amounting ₹ 15.11 millions has been capitalized as at March 31, 2026 .The Company is in process of registering the land amounting ₹ 22.80 millions (0.67 acres) in its name.

72 The Ministry of Corporate Affairs (MCA) vide its notification No. GSR 206(E) dated March 24, 2021 has issued the "Companies (Audit and Auditors) Amendment Rules, 2021" read with sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred as "the Act") introducing Rule 11(g). As per this rule, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In respect of Parent Company -During the year, the Parent Company maintained it's books of account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was not evaluated during the year ended March 31, 2026. The Company is evaluating implementation of audit trail feature in accounting software used for maintaining its books of account to comply with the requirements of Proviso to Rule 3(1) of the Companies (Account) Rules, 2014.

In respect of subsidiary Companies
During the year, the subsidiary companies, incorporated in India, maintained it's books account in SAP S4 Hana accounting software where audit trail feature (edit log facility) was enabled throughout the year for all relevant transactions recorded in the software. The feature of recording audit trail (edit log facility) at database level is not enabled to log any direct changes for the accounting software used for maintaning books of accounts.

73 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020- consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Group has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the restated consolidated statement of profit and loss for the year ended March 31, 2026.The incremental impact consisting of gratuity of ₹ 15.21 millions and long-term compensated absences of ₹ 4.38 millions primarily arises due to change in wage definition. The Group continues to monitor the finalisation of Central /State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

74 The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

For and on behalf of Board of Directors of Hero Motors Limited

Abhishek Munjal
Whole Time Director
(DIN: 05355274)
Place: Noida

Amit Gupta
Managing Director and Chief Executive Officer
(DIN: 02997032)
Place: Noida

Utkarsh Sanghi
Chief Financial Officer
Place: Noida

Sakshi Dureja
Company Secretary and Compliance Officer
M. No. 70710
Place: Noida

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, except as otherwise stated)

Particulars	As at and for the year ended March 31, 2026	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024
Basic earnings per share (in ₹)*	1.15	0.67	0.36
Diluted earnings per share (in ₹)	1.14	0.66	0.35
Return on Net Worth (%)*	8.53%	7.74%	4.42%
Net asset value per Equity Share (in ₹)	12.72	11.21	10.29
EBITDA	1,477.82	1,140.04	862.76
Adjusted EBITDA^ (in ₹ millions)	1,602.44	1,288.21	1,257.38

Notes:

* *The amount as is after non-cash share-based payment of ₹ 105.03 million for Financial Year 2026, 148.17 million for Fiscal 2025, and 394.62 million for Fiscal 2024.*

^ *Adjusted EBITDA is calculated restated profit for the year plus total tax expense plus exceptional items plus share based payment expenses plus finance costs plus depreciation and amortization.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our (i) Company and (ii) our Material Subsidiaries, HEL, Hero EDU, HYM and STPL for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 (collectively, the "**Audited Financial Statements**") are available on our website at https://www.heromotors.com/investorrelationship.

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 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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of EBITDA and Adjusted EBITDA

(₹ in million, except as otherwise stated)

Particulars	As at and for the year ended March 31, 2026	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024
Profit after tax (A)	411.68	327.96	170.35
Tax expenses (B)	198.36	62.80	72.77
Finance cost (C)	408.38	369.84	334.13
Depreciation & amortisation expenses (D)	459.40	379.44	285.51
EBITDA (E=A+B+C+D)	**1,477.82**	**1,140.04**	**862.76**
Exceptional items (F)	19.59	0	-
Share based payment (Non-Cash) (G)	105.03	148.17	394.62
Adjusted EBITDA (H=E-F+G)	**1,602.44**	**1,288.21**	**1,257.38**

For reconciliation of non-GAAP measures, see "– *Reconciliation of Non-GAAP Measures*" on page 439.

Non-GAAP Financial Measures

This section includes certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, "**Non-GAAP Measures**" and each a "**Non-GAAP Measure**"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, 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 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 Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Measures included in this Red Herring Prospectus are given below.

Revenue Growth

(₹in million unless otherwise mentioned)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
	A	B	C
Revenue from Operations	11,883.51	10,895.93	10,643.86
Growth	987.58	252.07	97.62
Growth %	9.06%	2.37%	0.93%

Adjusted EBITDA

(₹in million unless otherwise mentioned)

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
	W	X	Y
Profit after tax (A)	411.68	327.96	170.35
Tax Expenses (B)	198.36	62.80	72.77
Finance Cost (C)	408.38	369.84	334.13
Depreciation & Amortisation expenses (D)	459.40	379.44	285.51
EBITDA (E= A+B+C+D)	1,477.82	1,140.04	862.76
Exceptional Items (F)	19.59	-	-
Share Based payment*(G)	105.03	148.17	394.62
Adjusted EBITDA (H=E+F+G)	1,602.44	1,288.21	**1,257.38**
Growth formulae (I)	-	-	-
Adjusted EBITDA Growth (J)	24.39%	2.45%	12.70%

* *Non-Cash.*

Cash Conversion Cycle

Particulars	As of/ for the Financial Year ended March 31,		
	2026	2025	2024
Revenue from operations (A)	11,883.51	10,895.93	10,643.86
Inventories (₹ million) (B)	2,085.13	1,912.57	1,798.98
Trade Receivables (₹ million) (C)	2,529.02	2,023.31	1,947.87
Trade Payables (₹ million) (D)	1,403.46	1,372.07	1,362.47
Inventory Days((E= B/(A/365))	64	64	62
Debtors Days((F= C/(A/365))	78	68	67
Creditor Payable Days (G= D/(A/365))	43	46	47
Cash Conversion Cycle (H=E+F-G)	99	86	82

Gross Profit

(₹in million unless otherwise mentioned)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
Revenue from Operations (A)	11,883.51	10,895.93	10,643.86
Cost of materials consumed (B)	6,535.02	6,304.43	6,404.49
Purchases of stock-in-trade (C)	277.14	76.57	-
Changes in inventories of finished goods, work in progress, stock in trade (D)	116.72	(6.69)	45.67
Gross Profit (E=A-B-C-D)	4,954.63	4,521.62	4,193.70
Gross Margin (%) (F=E/A)	41.69%	41.50%	39.40%

Return on Equity

(₹in million unless otherwise mentioned)

Return on Equity	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Restated profit for the year (A) [(1)]	411.68	327.96	170.35
Equity share capital (B)	3583.36	3573.84	3,535.78
Other equity (C)	1,163.20	677.06	322.61
Non controlling interests (D)	63.52	9.18	(110.23)
Total Equity (E=B+C+D)	**4,810.08**	**4260.08**	**3,748.16**
Return on Equity[(1)] (F=A/E)	8.56%	7.70%	4.54%

[(1)] *The amount is after pre-tax non cash share based payment of ₹ 394.62 million for Financial Year 2024.*

Return on Capital Employed

(₹ in million, unless otherwise mentioned)

Return on Capital Employed	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Adjusted EBITDA (A)	1,602.44	1,288.21	1,257.38
Equity share capital (B)	3,583.36	3,573.84	3,535.78
Other equity (C)	1,163.20	677.06	322.61
Non-controlling Interests (D)	63.52	9.18	-110.23
Long Term Borrowing (E)	987.69	1,233.69	817.53
Short Term Borrowings (F)	3,020.20	2,842.53	2,222.45
Cash & bank Balances (G)	(423.92)	(477.58)	(882.61)
Current Investment [(1)] (H)	(23.10)	(21.61)	(66.76)
Capital Employed (I=B+C+D+E+F+G+H)	**8,370.96**	**7,837.11**	**5,838.77**
Average Capital employed[(2)] (J)	**8,104.03**	**6,837.94**	**5,411.99**
Return on Capital Employed (K= A/J)	**19.77%**	**18.84%**	**23.23%**

[(1)] *Current investment includes investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss*

[(2)] *Average Capital employed means Average of Closing balance of capital employed of current year and previous year for Fiscal 2024.*

Net Debt to Adjusted EBITDA

(₹ in million, unless otherwise mentioned)

Net Debt to Adjusted EBITDA	As of / For the Year ended March 31,		
	2026	2025	2024
Long Term Borrowing (A)	987.69	1,233.69	817.53
Short Term Borrowings (B)	3,020.20	2,842.53	2,222.45
Total Debt (C=A+B)	4,007.89	4,076.22	**3,039.98**
Cash & Cash Equivalent (D)	223.92	94.48	422.61
Other Bank Balances (E)	200.00	383.10	460.00
Total Cash & Cash Equivalent including other bank balances (F=D+E)	**423.92**	**477.58**	**882.61**
Adjusted net debt (G=C-F)	**3,583.97**	**3,598.64**	**2,157.37**
Adjusted EBITDA (H)	**1,602.44**	**1,288.21**	**1,257.38**
Adjusted Net Debt/ Adjusted EBITDA (I=G/H)	**2.24**	**2.79**	**1.72**

Fixed Asset Turnover Ratio and Asset Turnover Ratio

(₹ in million unless otherwise mentioned)

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Revenue from Operations (A)	11,883.51	10,895.93	10,643.86
Fixed Assets' (B)	6,483.58	5,766.37	4,431.67
Total Assets (C)	13,718.28	11,646.20	10,598.55
Fixed Assets turnover (D=A/B)	1.83	1.89	2.40
Assets turnover (E=A/C)	0.87	0.94	1.00

Fixed Assets

(₹in million unless otherwise mentioned)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
Property, plant and equipment (A)	5,273.09	4,953.70	3,603.06
Capital work in progress (B)	666.49	380.99	596.03
Intangible assets under development (C)	283.26	286.35	180.06
Other Intangible assets (D)	260.74	145.33	52.52
Total Fixed Assets (E=A+B+C+D)	6,483.58	5,766.37	4,431.67

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures, for the Fiscals ended March 31, 2026, March 31, 2025 and March 31, 2024 and as reported in the Restated Consolidated Financial Information, see *"Restated Consolidated Financial Information – Note 44" on page 415.*

FINANCIAL INDEBTEDNESS

In furtherance of our Articles of Association and subject to applicable laws, our Board is authorised to borrow sums of money for the business purposes of our Company which includes working capital, capital expenditure, operational requirements and on such terms and conditions as our Board thinks fit. For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of the Board*" on page 323**.**

Our Company and our Subsidiaries have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements. Further, as of the date of this Red Herring Prospectus, there have been no defaults with financial institutions/banks in respect of the borrowings availed by our Company, as certified by Ramesh C Agrawal & Co., Chartered Accountants, pursuant to their certificate dated September 9, 2026.

Set forth below are the tables providing details of the aggregate borrowings of our Company and our Subsidiaries on a standalone basis, as of July 31, 2026:

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2026
Our Company	**(₹ in million)**	
Fund-Based	**4,758.79**	**2,985.36**
Term loans	1,939.20	1,197.62
Cash Credit / WCDL	2,619.59	1,697.83
Overdraft against fixed deposit	200.00	89.91
Non-Fund Based	**1,435.21**	**1,284.81**
Letter of Credit	1,265.62	1,265.62
Bank Guarantee	19.19	19.19
LER	150.40	-
Total	**6,194.00**	**4,270.17**

As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to certificate dated September 9, 2026.

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2026
Subsidiary – STPL	**(₹ in million)**	
Fund-Based		
Term loans	225.00	27.59
Cash Credit	30.00	25.25
Total	**255.00**	**52.85**

As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to certificate dated September 9, 2026.

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2026
Subsidiary – HMTL	**(₹ in million)**	
Fund-Based		
Term loans	462.92	376.12
Cash Credit	185.74	185.74
Total	**648.65**	**561.86**

As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to certificate dated September 9, 2026.

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2026
Subsidiary – HEL	**(₹ in million)**	
Fund-Based		
Cash Credit	482.57	463.32
Loans from Related Party		
Working Capital	12.83	12.83
Total	**495.40**	**476.15**

As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to certificate dated September 9, 2026.

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2026
Subsidiary – Hero EDU	**(₹ in million)**	
Fund-Based		
Term loans	100.00	23.07
Cash Credit	50.00	49.20
Total (A)	**150.00**	**72.27**

As certified by Ramesh C Agrawal & Co., Chartered Accountants pursuant to certificate dated September 9, 2026.

Principle terms of the outstanding borrowings availed by our Company and our Subsidiaries:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Subsidiaries.

1. ***Interest*:** The interest rate for the working capital facilities availed by our Company is decided at the time of each drawl and ranges from 7.10% to 7.84% p.a. and in the case of working capital facility availed by our Subsidiary, STPL, the interest rate is 7.35% to 8.15% p.a., for HMTL the interest rate is 3.59% p.a. and for HEL the interest rate is 5.23% to 5.25% p.a., and for Hero EDU, the interest rate is 7.50% p.a. In the case of term loans availed by our Company, the interest rate ranges from 7.35% to 8.10% p.a. and in the case of term loans availed by our Subsidiary, STPL the interest rate is 7.70% and for HMTL the interest rate is 2.96% p.a., and for Hero EDU, the interest rate is 7.75% p.a.

2. ***Tenor*:** In respect of working capital facilities, the tenor varies from instrument to instrument and bank to bank. For instance, the period of sanction for letter of credit availed in certain instruments ranges from 180 days to One year and bank guarantee in certain instruments is upto eight years. Similarly, the tenor for demand loan and term loan also varies from bank to bank. For instance, the tenor of the demand loan availed by our Company from Axis Bank Limited, Kotak Bank Limited, and ICICI Bank Limited is upto twelve months and the tenor of demand loan in respect of working capital facilities availed by our subsidiaries, Spur, HMTL, Hero EDU and HEL from Axis bank, Standard Chartered Bank and ICICI Bank Limited is also twelve months. The term loan availed by our Company from Axis Bank Limited, Kotak Bank Limited, and ICICI Bank Limited is five years. and the tenor of the term loan availed by our Subsidiary, STPL, HMTL, and Hero EDU from Axis Bank and Standard Chartered Bank is five years.

3. ***Security*:** In terms of the Company and its Subsidiaries borrowings where security needs to be created, such security typically includes as follows:

   (a) first *pari passu* charge by way of hypothecation on present and future current assets for working capital facilities.

   (b) first *pari passu* charge by way of hypothecation on present and future all moveable fixed assets for term loan facilities.

   (c) corporate guarantee and standby letters of credit. For more details, please see *"Risk Factors - We have provided guarantee and standby letters of credit to lenders for three of our Subsidiaries and any failure to repay such loans, may affect our business, results of operations and financial condition."* on page 34**.**

4. ***Pre-payment*:** In respect of the term loan facilities availed by the Company from Axis Bank Limited, prepayment is allowed subject to the payment of 1% to 2% of the prepaid amount as pre-payment charges. In respect of term loan facility availed by our Company from Kotak Mahindra Bank Limited, prepayment attracts a penal charge of 1% on the outstanding loan amount. In respect of the term loan facility availed by the Company from ICICI Bank Limited, pre-payment is allowed with a prepayment premium of 1% on the amount of the principal prepaid till the tenor of the facility. In respect of the term loan facility availed by the Subsidiary, STPL, from Axis Bank Limited, prepayment is allowed subject to the payment of 2% of the prepaid amount as pre-payment charges. In respect of the term loan facility availed by the Subsidiary, HMTL, from Standard Chartered Bank, prepayment is allowed subject to the payment of 1% of the prepaid amount as pre-payment charges. In respect of the term loan facility availed by the Subsidiary, Hero EDU, from Axis Bank Limited, prepayment is allowed subject to the payment of 1% of the prepaid amount as pre-payment charges. The Company has received consent from its bankers for pre-payment charges waiver in case pre-payment is done from IPO proceeds.

5. ***Re-payment*:** The working capital facilities availed by the Company and its Subsidiary, STPL, HMTL, Hero EDU, and HEL are repayable on demand. The term loans availed by our Company and our Subsidiary, STPL, Hero EDU and HMTL are also repayable in quarterly instalments as per the repayment schedule stipulated in the relevant loan documentation.

6. ***Key covenants*:** In accordance with our facility agreements and sanction letters, the Company and its Subsidiary, STPL, HMTL, Hero EDU, and HEL are required to comply with various financial covenants and conditions restricting certain corporate actions, and they are required to take the lender's prior consent and/ or intimate the respective lender for carrying out such corporate actions, typically including, but not limited to the following:

   (a) effecting any change in the Company's capital structure.

   (b) change in the ownership/control/management (including by pledge of promoter/sponsor shareholding in the Company to any third party)/beneficial owner, below 51% or enter into arrangement whereby its business/ operations are managed or controlled, directly or indirectly, by any other person.

   (c) alteration to constitutional documents including certification of incorporation, memorandum of association or articles of association;

   (d) issuance of unissued share capital or creation of new shares;

(e) entering into any scheme of merger, amalgamation, compromise or reconstruction or declare a dividend or do a buyback;

(f) change the general nature of the business of the Company or undertake any expansion or invest in any other entity which may have adverse material effect.;

(g) appointment or removal of key managerial personnel of the Company;

(h) formulation of any scheme of merger or amalgamation or reconstruction or buyback;

(i) availing any further loan or facility from any person;

(j) declaration of dividends or authorisation to make distribution to shareholders in case of default to pay interest/commission/ instalments in relation to the underlying facility;

(k) appointment of various intermediaries (including investment banks, escrow collection bank, public issue account banks and refund bank) and advisors;

(l) prepaying any loans availed from the shareholders or directors;

(m) further investments by our Company in any other company or entity; and

(n) change in remuneration payable to directors, partners, etc. either in the form of sitting fees or otherwise.

7. ***Events of default*:** Borrowing arrangements entered into by our Company and our Subsidiaries, STPL, HMTL, Hero EDU, and HEL contain standard events of default, including, among others:

(a) default in the payment of the loan obligations or any amount due or any part thereof;

(b) default in performing any of its obligations under the loan/facility agreements or any of the financing documents or breach of any of the terms or conditions of the loan/facility agreements or any other financing documents;

(c) change or threatens to change the general nature or scope of the business or control of the Company (directly or indirectly) below 51%;

(d) if any circumstance or event occurs which is or is likely to prejudice, impair, imperil, depreciate or jeopardise any security or any part thereof;

(e) suspension or ceases to carry on or dispose of (or threatens to suspend or cease to carry on) all or a material part of its business;

(f) any representation, information or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any respect when made or deemed to be made.;

(g) any person makes or threatens to make any application under the Insolvency and Bankruptcy Code, 2016 and/or any notice is received in relation to the same;

(h) any litigation, alternative dispute resolution, arbitration, administrative, governmental regulatory or other investigations, proceedings or disputes are commenced or threatened against the Company or their assets which might have a material adverse effect; and

(i) if the Company without consent of the lenders attempt or purport to create any mortgage, charge, pledge, hypothecation or lien or encumbrance on the security provided to the lenders; and

(j) any material adverse effect occurs or is likely to occur in relation to the Company or any of their assets.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and our Subsidiaries.

8. ***Consequences of occurrence of events of default*:** In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

(a) declare that all or part of the loan obligations be immediately due and payable and recover such loan obligations;

(b) cancel the undrawn commitment and suspend withdrawals under the facilities;

(c) enforce the security;

(d) exercise such other rights as may be available to the bank under the financing documents and under applicable law;

(e) appointment of a nominee and/or observer on the Board as may be required by the lender;

(f) convert the outstanding loan obligations into equity share capital of the Company or other securities. The Company shall provide shareholder resolution/ authorization allowing the lender the right to facilitate such conversions;

(g) sell or otherwise dispose of or deal with any or all of the secured assets and/or secured third party assets, or any portion thereof.

This is an indicative list and there may be such other additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Subsidiaries.

For the purposes of the Offer, we have obtained necessary consents from our lenders as required under the relevant loan documentations for undertaking activities relating to the Offer.

For details in relation to risks associated with our outstanding indebtedness, see "*Risk Factors - We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition."* on page 40**.**

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2026, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 21, 347 and 446, respectively.

(₹ in million)

Particulars	Pre-Offer (as at March 31, 2026)	Post-Offer
Debt		
Non-current liabilities – borrowings (A)	987.69	[●]
Current liabilities – borrowings (B)	3,020.20	[●]
Total borrowings (C = A + B)	4,007.89	[●]
Equity share capital (D)	3,583.36	[●]
Other equity (E)	1,163.20	[●]
Non-controlling interest (F)	63.52	[●]
Total equity (G = D + E + F)	4,810.08	[●]
Debt / Equity ratio (H = C / G)	0.83	[●]
Non-current liabilities – borrowings / total equity (I = A / G)	0.21	[●]
Current liabilities – borrowings / total equity (J = B / G)	0.63	[●]

Notes:

i. The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending completion of the book building process and therefore has not been provided in the above statement.

ii. The above statement does not include lease liability as per Ind AS 116 disclosed under the Restated Consolidated Financial Information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 19. Also read "Risk Factors" and "- Significant Factors affecting our Results of Operations and financial condition" on pages 21 and 446, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2026, 2025 and 2024 included herein is derived from the Restated Consolidated Financial Information, included in this Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Information" on page 347.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry assessment – Powertrain Solutions and Alloys & Metallics Components" dated August 2026 (the "**CRISIL Report**"), exclusively prepared and issued by CRISIL Intelligence, who were appointed by our Company pursuant to an engagement letter dated December 20, 2024, read with engagement letter dated July 16, 2026 and the CRISIL Report has been exclusively commissioned by and paid for by our Company in connection with the Offer. The CRISIL Report is available on the website of our Company at https://www.heromotors.com/investorrelationship until the Bid/Offer Closing Date, and has also been include in "Material Contracts and Documents for Inspection – Material Documents" on page 561. 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 proposed Offer), that have been left out or changed in any manner. 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. For more information, see "Risk Factors – Certain sections of this Red Herring Prospectus disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 53. Also see, "Certain Conventions, Presentation of Financial– Industry and Market Data" on page 16.*

OVERVIEW

For information in relation to our business, see "*Our Business*" on page 253.

PRESENTATION OF FINANCIAL INFORMATION

The restated consolidated financial information of our Company comprise the restated consolidated statement of assets and liabilities as of March 31, 2026, March 31, 2025 and March 31, 2024, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, and the material accounting policies and other explanatory information (collectively, the "**Restated Consolidated Financial Information**")

The Restated Consolidated Financial Information have been compiled from the audited consolidated financial statements of our Company as of and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, respectively, each prepared in accordance with the Indian Accounting Standards ("**Ind AS**") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "*Risk Factors*" on page 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Macro-Economic Conditions and Factors

We derive our revenue from operations from the manufacture and supply of Powertrain and A&M components and solutions to our OEM customers. We cater to OEMs primarily in the two-wheelers, performance automotive, e-bikes, off-road vehicles, electric and hybrid cars and heavy duty vehicles categories and located in the United States, Europe, India and the ASEAN region. While stronger macro-economic conditions tend to result into higher demand for automotive vehicles, weaker macro-economic conditions tend to result into lower demand for automotive vehicles. Change in demand in the market segments we currently supply or improvement/deterioration in the automotive market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition. The level of demand for automotive components depends primarily on the prevailing business conditions in the automotive industry.

According to the CRISIL Report, the global two-wheeler industry witnessed steady growth between 2020 to 2025, with sales volumes increasing from 12.54 million units to 16.89 million units. The industry has also benefited from the increasing adoption of electric two-wheelers, supported by technological advancements, improving battery performance, and government initiatives promoting cleaner mobility solutions. As a result, despite the moderation in growth rates, the global two-wheeler market continued to expand through 2025, supported by strong underlying demand for affordable, efficient, and sustainable transportation options. EV penetration in motorcycles shall globally witness an upward trajectory from 2.0% in 2025 to 10.5% to 12.5% in 2031. *(Source: CRISIL Report)*

The global bicycle market value is expected to remain relatively stable between US$23.85 billion in 2024 to US$26 billion to US$ 29 billion in 2031, reflecting a CAGR of 1% to 3%. Advancements in battery technology and the growing availability of e-bikes have expanded the appeal of cycling to a broader consumer base, including commuters, older riders, and recreational users seeking greater convenience and riding comfort. The global e-bike market is expected to be the primary growth driver within the bicycle industry from 2024 to 2031, with sales volumes projected to increase from 8.24 million units in 2024 to 12.5 to 14.5 million units by 2031, reflecting a CAGR of 6% to 9%. In Europe, e-bike volumes are expected to increase from 6.17 million units to approximately 8 to 10 million units from 2024 to 2031 at a CAGR of 5% to 8%, supported by rising consumer demand for convenient and assisted mobility solutions, particularly for commuting and longer-distance travel. Electric motors, inverters, battery management systems and power electronics will be important for EVs, and their demand is poised to surge. Additionally, the rise of EVs necessitates the creation of new charging infrastructure components, such as stations, connectors and related hardware. This transition presents a significant challenge, but also a golden opportunity for component manufacturers who can adapt to and innovate new technologies. By catering to the evolving needs of the electric mobility revolution, the industry can ensure a smooth shift towards a cleaner and more sustainable future. *(Source: CRISIL Report)*

The global passenger vehicle transmission mix underwent a notable shift between 2020 and 2025, reflecting the growing adoption of automated transmission technologies and the gradual decline of traditional manual transmissions. While automatic transmission ("**AT**") remained the dominant transmission type throughout the period, its share remained within 36% to 41%, indicating a more diversified transmission landscape. The global passenger vehicle powertrain mix is expected to undergo a significant transformation through 2031, driven by accelerating electrification and declining dependence on conventional ICE vehicles. Battery electric vehicles ("**BEVs**") are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18% to 20%, with volumes increasing from 3.36 million units in 2024 to 11.5 to 12.5 million units by 2031. Share of automatic transmission vehicles in domestic PV sales has increased from 22% to 27% in Fiscal 2021 to approximately 35% to 40% in Fiscal 2026. This surge is attributed to worsening traffic conditions, increasing affordability, growing consumer preference for comfort and availability of semi-automatic transmission at affordable price points. *(Source: CRISIL Report)*

We expect that these economic factors and conditions in our industry, particularly changes in consumer confidence, employment levels, fuel prices, consumer spending on two-wheelers and passenger vehicles, urbanisation, changes in consumer preferences, government policies and interest rates, will continue to be the most important factors affecting our results of operations. Other factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to win customers in competitive situations.

Relationship with Customers and Partners

We have nurtured enduring relationships with our customers, which includes a wide range of customers, spanning both automotive and non-automotive sectors. In the automotive sector, we collaborate with global two-wheeler OEMs including BMW, Ducati, and Hero MotoCorp; players from motor sport industries such as Formula Motorsport and HWA Engineering; global commercial vehicle and off-road OEMs such as Escorts; and enviolo. Our customers in the non-automotive segment for both electric and non-electric powertrain and transmission systems include global OEMs such as B&S, and various e-powertrain applications for supercar manufacturers.

We collaborate closely with our customers to ensure that all our systems and components are as per their requirements and industry standards. Through our strong focus on R&D, we have built the capabilities to develop technologically advanced powertrain systems and components, which assist our customers to meet the market demands for high power density systems handling higher torque requirements, while meeting stringent durability, performance and NVH specifications. Our commitment to performance, technology, and consistent track record of quality, delivery, and cost has not only expanded our market share but also earned us recognition and awards for quality and customer satisfaction from various OEMs. We are among the among the few companies that addresses requirements of the premium ICE and performance ICE segment that require high-performance transmission systems capable of handling tough torque needs while keeping components lightweight. (*Source: CRISIL Report*)

The value of the business with key customers has been consistently increasing over the past three years. Our customer portfolio has been strategically diversified to reduce reliance on domestic customers. The table below provides revenue from operations generated from domestic customers as a percentage of revenue from operations for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from domestic customers	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%

Our sales to customers also depend largely on the number and type of products and solutions that we supply to them and our ability to increase our overall share of customers' purchases. It is difficult for us to predict with certainty when our customers will decide to increase or decrease inventory levels or levels of production, which strategic direction they will pursue, when they might launch new models or open new facilities, or whether future inventory levels will be consistent with historical levels. Changes in the outsourcing strategy of our customers or increased competition from other auto-component manufacturers as they develop differentiated and innovative products that compete with our systems and components could have an adverse impact on our business, results of operations, financial condition and cash flows.

Over the years, we have expanded our operations through our partnerships with technology providers and global OEMs. For instance, we partnered with enviolo, which owns patented technology known as CVP or referred to as CVT in the automotive sector to further grow our powertrain business. We are the only player manufacturing and exporting CVT hubs to the global e-bike OEMs from India and are the only manufacturer of integrated electric powertrain products for e-bikes in India. (*Source: CRISIL Report*) We also entered into a joint venture with Yamaha Motors Japan in 2021 to manufacture electric motors under the 'HYM' brand which commenced operations in 2022.

We acquired a strategic stake in Hewland, a British company specializing in designing and manufacturing gearboxes and transmission systems for motorsport and high-performance vehicles that marked an expansion of our design and validation capabilities. This investment boosted our capabilities, by adding advanced design and prototyping skills to our portfolio. Our investment in Hewland also provided us with a manufacturing base in the United Kingdom for the EV segment and strengthened our partnerships with a broad customer network in the United Kingdom, Europe, and the USA. We began offering design, analysis, and prototyping solutions to our customers, setting us apart from competitors who only offer 'make-to-print' services.

To ensure that we maintain our leadership position and grow our portfolio of products, we will continue to enter into technical collaborations with existing partners as well explore opportunities to collaborate new partners. These new initiatives include entering into a technical assistance, knowhow and intellectual property (IP) license agreement with enviolo to jointly design and develop e-CVPs, integrating enviolo's patented CVP technology with our electric motors for e-bikes. We have entered into a non-binding term sheet regarding the conclusion of technology license agreement for manufacturing of DCT technology transmissions and related to this license, an engineering service and a sales and marketing service agreement with one of the largest global automotive parts manufacturing and technology companies with expertise in delivering DCT solutions to OEMs worldwide. Once concluded, the license will be exclusively for India, Bangladesh, Nepal, Sri Lanka, Pakistan, and Thailand, which can be extended to other ASEAN markets and encompasses manufacturing and sales activities within our designated territory.

Our Product Mix

Our financial performance has largely been driven by, and a key factor to our future success will be, our ability to continue to diversify our business through maintaining a diversified mix of our products offered to continue to deliver value for our customers. We are a fully integrated powertrain systems provider offering comprehensive solutions for designing, prototyping, validating, developing, and delivering system-level transmission solutions for both electric as well as non-electric powertrains.

Our revenue from operations are significantly dependent on the performance of our business units. Our operations are organized into: (i) Powertrain Solutions; and (ii) A&M business segments. For further information, see "*Our Business – Business Operations – Systems and Components*" on page 271. The table below sets forth the breakdown of our income from sale of goods across the business units, and as a percentage of our revenue from operations for the last three years:

Segment	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Powertrain Solutions	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
A&M	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

Going forward we will continue to offer new capabilities, products and target new geographies to grow our revenue from operations from Powertrain solutions and A&M. Our future results of operations are therefore, dependent upon, among other factors, our ability to continue to produce our systems and components more efficiently by using our extensive in-house technology and research and development and to continue to innovate and invest in product development to drive sales of additional and/or improved products to existing and/or new customers.

Innovation and Research and Development

Over the years, we have expanded our capabilities to include design, engineering, and manufacturing by establishing technology centers in the UK and India, equipped with advanced software, R&D equipment, and test systems. These centers, led by experienced global R&D personnel, create high-power density, lightweight, durable, and efficient mechanical and electrical components. Our comprehensive suite of design software includes Ansys Maxwell, Creo Parametric, SolidWorks, and Kiss Soft. We also operate state-of-the-art Testing & Endurance labs in Ludhiana and Gautam Buddha Nagar, employing advanced machinery for rigorous validation. The G&T technology center in Southam, UK, offers turnkey solutions and comprehensive testing for e-axles, electric drive units, and more. Our technology centers in India and the UK consist of 84 research and development personnel, as of March 31, 2026, overseen by a team with experience in powertrain and micro-mobility solution design and development. Our testing labs enhance our capabilities in design and development through evaluation and validation processes.

We have been able to make significant advancements towards our products and solutions as a result of our R&D initiatives. The table below sets forth our research and development expenses, and as a percentage of our revenue from operations for the last three years:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

We augment our capabilities through strategic partnerships with diverse entities, aimed at advancing our design and development proficiency via training initiatives and collaborative ventures. For instance, we have entered into a joint venture with Yamaha Motors Japan for development of electric motors for two wheelers. Securing several projects as a direct outcome of these collaborations, we have effectively delivered design enhancements and cost optimizations to our customers. Our ability constantly innovate and our results of operations are, therefore, dependent on our ability to enter into and maintain such partnerships.

Raw Material Costs, Operating Costs and Efficiencies

Our business, financial condition, results of operations and prospects are significantly impacted by the prices of raw materials purchased or imported by us as well as any changes in global metal prices. We use a variety of raw materials for the production of our components and systems. For further information, see "*Our Business – Business Operations - Raw Materials and Components*" on page 284.

Raw material costs (consisting of the costs of materials consumed and changes in inventories of finished and work-in-progress) constitute the most significant portion of our expenditures. The table below sets forth our cost of materials consumed and as a percentage of our total expenses for the last three years:

Fiscal 2026		Fiscal 2025		Fiscal 2024	
Cost of Materials Consumed (₹ million)	Percentage of Total Expenses (%)	Cost of Materials Consumed (₹ million)	Percentage of Total Expenses (%)	Cost of Materials Consumed (₹ million)	Percentage of Total Expenses (%)
6,535.02	56.64%	6,304.43	58.80%	6,404.49	60.47%

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. Further, volatility in fuel prices can also affect commodity prices worldwide which may significantly increase our raw material costs.

The table below sets forth our cost of raw materials sourced domestically and outside India for the last three years:

Geography	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)	Purchases of Raw Materials (₹ million)	Percentage of Total Purchases of Raw Materials (%)
India	6,322.82	93.92%	5,870.45	94.59%	5,859.37	95.08%
Outside India	409.61	6.08%	335.73	5.41%	303.17	4.92%
Total Purchases	**6,732.43**	**100.00%**	**6,206.18**	**100.00%**	**6,162.54**	**100.00%**

We adopt a procurement strategy that involves sourcing raw materials, commodities, and components from multiple qualified automotive suppliers that meet our requirements based on customer forecasts. While we may not enter into definite-term agreements with all our suppliers who typically supply us through purchase orders, we follow a strategy of de-risking supply chain and at the same time, maintain long term relationships with key suppliers. Our reliance on a select group of suppliers may

also constrain our ability to negotiate our arrangements, which may have an impact on our ability to procure an uninterrupted supply of raw material critical for our operations, which in turn may affect our profit margins and financial performance. We have developed a network of Indian suppliers for key components, all of whom have substantial automotive experience. To maintain consistent quality and prevent any disruptions in the supply chain, we actively support our suppliers by providing training and guidance for improving their manufacturing processes. Through this collaborative approach, we build strong and reliable relationships with our suppliers, while upholding our commitment to continuous improvement. As a result, we can meet the expectations of our customers for the quality and reliability of our products and services.

Historically, as a practice, we have priced our products so as to largely pass the increase in cost of raw materials onto our customers for our operations. Further, our contracts with our customers generally provide for pass through of any variation in the raw material costs. However, our cash flows may still be adversely affected because of any gap in time between the date of procurement of primary raw materials and date on which we can reset the component prices for our customers, to account for the increase in the prices of such raw materials. In addition, we are especially not able to pass all of our raw material price increases to our customers for our operations, as we sell integrated systems rather than individual components. The inability to pass fluctuations in raw material prices on to our customers may materially and adversely affect our profits and profit margins.

Given the nature of our business, our ability to manage our operating costs and efficiencies is critical to maintaining our competitiveness and profitability. Our profitability is partially dependent on our ability to spread fixed production costs over higher production volumes. In addition, we face pressure from our key customers to reduce prices. We continually undertake efforts to reduce our costs in order to protect our margins, such as interchanging capacity, product mix, rationalising suppliers, negotiating volume discounts, outsourcing non-critical processes, reducing energy usage and rationalising our manpower. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control. The improvements in operational efficiency is generally a gradual process. We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, manpower, systems deployment and rejection and re-working of products. Quality control is critical to our operations and a failure to prevent the passing down of defects to our customers may lead to significant costs.

Inorganic Growth Opportunities

We may consider opportunities for inorganic growth, such as through mergers and acquisitions, business transfer or strategic investments, to acquire new customers, enter new markets, strengthen our position in our existing products and current markets, diversify our product portfolio, improve operational efficiency, and enhance our expertise and knowledge. We acquired a strategic stake in Hewland, a British company specializing in designing and manufacturing gearboxes and transmission systems for motorsport and high-performance vehicles that marked an expansion of our design and validation capabilities, in 2022, from Hero International B.V. which had been associated with Hewland since 2017. Subsequently, we acquired a majority stake in Hewland in 2023. Hewland's product range includes manual and sequential gearboxes, differential units, and drivetrain components. Hewland collaborates with OEMs to develop customized transmission systems tailored to specific vehicle needs. This investment boosted our capabilities, by adding advanced design and prototyping skills to our portfolio. Our investment in Hewland also provided us with a manufacturing base in the United Kingdom for the EV segment and strengthened our partnerships with a broad customer network in the United Kingdom, Europe, and the USA.

Acquiring new businesses typically requires substantial effort, additional expenses, and significant management time. For instance, during the pre-acquisition stage, we incur significant costs for identifying opportunities, structuring deals, and conducting due diligence. Post-acquisition, we face integration and operational costs, including coordinating sales and marketing and integrating employees. If we cannot overcome integration challenges and achieve our objectives, the anticipated benefits and synergies may not be fully realized or may take longer than expected. Additionally, acquired businesses may not be profitable. Failure to realize anticipated benefits in a timely manner, or at all, could adversely affect our business and operations.

NON-GAAP MEASURES

Certain measures like Gross Profit, Gross Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Equity, ROCE, Net Debt to Adjusted EBITDA, Fixed Asset Turnover Ratio and Asset Turnover Ratio (together, "**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, U.S. GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit 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, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardized 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. Also see, "*Risk Factors - We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry*

measures may vary from any standard methodology that is applicable across the powertrains industry, alloys and metals and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies." on page 55.

Reconciliation of Non-GAAP measures

Reconciliation of EBITDA, Adjusted EBITDA, EBITDA Margin, and Adjusted EBITDA Margin

The table below provides reconciliation of EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin to our revenue from operations:

(₹ million, unless otherwise stated)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
Restated profit for the year/period (A)	411.68	327.96	170.35
Total tax expense (B)	198.36	62.80	72.77
Finance costs (C)	408.38	369.84	334.13
Depreciation and amortisation expenses (D)	459.40	379.44	285.51
EBITDA (E=A+B+C+D)	**1,477.82**	**1,140.04**	**862.76**
EBITDA Margin (H=E/J)	**12.44%**	**10.46%**	**8.11%**
Exceptional items (F)	19.59	-	-
Share based payment expenses(G)	105.03	148.17	394.62
Adjusted EBITDA (I = E+F+G)	**1,602.44**	**1,288.21**	**1,257.38**
Revenue from operations (J)	**11,883.51**	**10,895.93**	**10,643.86**
Adjusted EBITDA Margin (%) (K=I/J)	**13.48%**	**11.82%**	**11.81%**

Reconciliation of Gross Profit and Gross Margin

The table below provides reconciliation of Gross Profit and Gross Margin to our revenue from operations:

(₹ million, unless otherwise stated)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
Revenue from operations (A)	11,883.51	10,895.93	10,643.86
Cost of materials consumed (B)	6,535.02	6,304.43	6,404.49
Purchases of stock-in-trade (C)	277.14	76.57	-
Changes in inventories of finished goods, work in progress, and stock in trade (D)	116.72	(6.69)	45.67
Gross Profit (E= A-B-C-D)	**4,954.63**	**4,521.62**	**4,193.70**
Gross Margin (F=E/A) (%)	**41.69%**	**41.50%**	**39.40%**

Reconciliation of EBIT and Adjusted EBIT and Adjusted EBIT Margin

The table below provides reconciliation of EBIT, Adjusted EBIT and Adjusted EBIT Margin:

(₹ million, unless otherwise stated)

Particulars	As of / For the Year ended March 31,		
	2026	2025	2024
Restated profit for the year (A)	411.68	327.96	170.35
Total tax expense (B)	198.36	62.80	72.77
Finance costs (C)	408.38	369.84	334.13
EBIT (D=A+B+C)	1,018.42	760.60	577.25
Exceptional items (E)	19.59	-	-
Share based payment expenses(F)	105.03	148.17	394.62
Adjusted EBIT (G=D+E+F)	**1,143.04**	**908.77**	**971.87**
Revenue from operation (H)	**11,883.51**	**10,895.93**	**10,643.86**
Adjusted EBIT Margin (I=G/H)	**9.62%**	**8.34%**	**9.13%**

Reconciliation of Return on Capital Employed

The table below provides reconciliation of return on capital employed:

(₹ million, unless otherwise stated)

Computation	As of / For the Year ended March 31,		
	2026	2025	2024
Adjusted EBITDA (A)	1,602.44	1,288.21	1,257.38
Equity share capital (B)	3,583.36	3,573.84	3,535.78
Other equity (C)	1,163.20	677.06	322.61
Non-controlling interest (D)	63.52	9.18	(110.23)

Computation	As of / For the Year ended March 31,		
	2026	2025	2024
Long-term borrowings (E)	987.69	1,233.69	817.53
Short-term borrowings (F)	3,020.20	2,842.53	2,222.45
Cash and bank balances			
- Cash and cash equivalents (G)	223.92	94.48	422.61
- Bank balances other than cash and cash equivalents (H)	200.00	383.10	460.00
Current Investment [(1)] (I)	23.10	21.61	66.76
Total capital employed (J=B+C+D+E+F-G-H-I)	**8,370.96**	**7,837.11**	**5,838.77**
Average capital employed[(2)]	**8,104.03**	**6,837.94**	**5,411.99**
ROCE (Adjusted EBITDA/Average capital employed)	**19.77%**	**18.84%**	**23.23%**

(1) Liquid funds include investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss.

(2) Average Capital employed: Opening Capital employed plus closing capital employed divided by 2.

Reconciliation of Net Asset, Net asset value and total number of Equity Shares

The table below provides reconciliation of net asset and net asset value per equity share:

(₹ million, unless otherwise stated)

Computation of Net asset value per Equity Shares	As at and for Fiscal 2026	As at and for Fiscal 2025	As at and for Fiscal 2024
Total assets	13,718.28	11,646.20	10,598.55
Less: Current liability	6,445.19	5,154.76	4,910.02
Less: Non-current liability	2,463.01	2,231.36	1,940.37
Less: Capital reserves (including NCI reserve)	(87.99)	16.08	16.08
Less: Foreign currency translation reserve	10.07	(4.70)	(12.13)
Less: Non-controlling Interest	63.52	9.18	(110.23)
Net assets (A)	**4,824.48**	**4,239.52**	**3,854.44**
Total number of shares (B)	**379,307,960**	**378,356,432**	**374,550,321**
Net asset value per equity share (Basic A/B) (₹)	**12.72**	**11.21**	**10.29**

Reconciliation of total number of Equity Shares

Particulars	As at and for Fiscal 2026	As at and for Fiscal 2025	As at and for Fiscal 2024
Number of equity shares outstanding at the end of the year	358,336,019	357,384,491	353,578,380
Number of potential equity shares (CCPS) at the end of the year	20,971,941	20,971,941	20,971,941
Total number of equity shares	**379,307,960**	**378,356,432**	**374,550,321**

MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

We determine that we have acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below: (i) deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively; (ii) potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12; (iii) liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of ours entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; (iv)

assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard; and (v) reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract, and such valuation does not consider potential renewal of the reacquired right.

When we acquire a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we re-assess whether we have correctly identified all of the assets acquired and all of the liabilities assumed and review the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Current versus non-current classification

We present assets and liabilities in the Restated Consolidated Financial information of Assets and Liabilities based on current/non-current classification. An asset is treated as current when: (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; (ii) it is held primarily for the purpose of trading; (iii) it is expected to be realised within twelve months after the reporting period; or (iv) it is cash or a 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 current when: (i) it is expected to be settled in normal operating cycle; (ii) it is held primarily for the purpose of trading; (iii) it is due to be settled within twelve months after the reporting period; or (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. We have identified twelve months as our operating cycle.

Property, plant and equipment ('PPE')

Recognition and measurement

Property, plant and equipment is stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if the recognition criteria is met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if: (i) it is probable that future economic benefits associated with the item will flow to the entity; and (ii) the cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date. Advances paid towards acquisition of PPE outstanding at each Balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to us and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Depreciation is provided on a pro-rata basis on the straight-line basis on the estimated useful life prescribed under Schedule II to Companies Act, 2013 with the following exception: (i) leasehold land and leasehold improvement has been amortised over the lease term or useful life of assets whichever is lower; and (ii) freehold land is not depreciated.

Useful life considered for calculation for various assets class are as follows:

Asset Class	Useful Life
Building	25 to 60 years
Plant and machinery	0 to 30 years
Furniture and fixture	3 to 10 years
Office equipment	3 to 5 years
Vehicles	8 to 10 years
Computer	3 to 6 years

We, based on technical assessment made by technical expert and management estimate, depreciate tools included in plant and equipment over estimated useful lives of 0 and 30 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Intangible assets

Acquired Intangible

Intangible assets that are acquired by us are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Intangible assets with finite lives are amortised over the useful life and these are 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The amortisation method, residual value and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

Specialized software are amortized over a period of 3 years or license period whichever is later.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.
An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) the ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of profit and loss when the asset is derecognized.

Useful lives of intangible assets

Intangible assets, comprising of software, expenditure on websites, etc. incurred are amortised on a straight line method over a period of its useful life. Internally generated intangibles are amortised over a period of 5 year.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.
Inventories

Inventories are valued at the lower of cost and net realisable value.

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows:

Raw Material	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method.
Work in Progress	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Finished Goods	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable
Scrap	Net realisable value.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Retirement and other employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. We make specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. Our contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). Our net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). We determine the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. We recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

During the year ended March 31, 2026, we revised our accounting policy for the presentation of the net interest component of defined benefit plans and have presented the same under Finance Costs instead of Employee Benefits Expense. Accordingly, comparative figures for the years ended March 31, 2025 and March 31, 2024 have been regrouped/reclassified to align with the current year's accounting policy. This change relates solely to presentation and has no impact on profit, earnings per share and net worth for any of the periods presented.

In respect to Subsidiary company i.e. Hewland Engineering Limited :

The Company operates a defined benefit pension scheme for eligible employees which was closed to future accrual on 31 May 2011. The assets were held separately from those of the Company. The pension scheme surplus or deficit is recognised in the Statement of financial position as a pension asset or liability as appropriate. Contributions to the scheme are paid according to a deficit reduction plan agreed with the Trustees. From 1 June 2011 these consist of deficit funding only. The overall expected rate of return of the plan assets has been based on the average expected return of each asset class, weighted by the amount of assets in each class. The scheme holds quoted securities which are valued at current bid price.
The Company contributes to money purchase pension schemes on behalf of eligible employees including from 1 June 2011, contributions previously made to the defined benefit scheme. Additional retirement benefits are provided for nominated employees through a money purchase executive benefit scheme. These schemes are administered independently, and the assets held separately from the Company. The premiums are charged to the profit and loss accounts.

Pensions:

The Defined Benefit pensions scheme liabilities are calculated using an independent actuarial valuation using the latest available tri-annual valuation and rolling this forward to the current reporting date.
The discount rate used is derived from a Broadstone Sterling AA Yield curve plus a determined margin to reflect the average term of the liabilities being longer than the duration of the index.
Inflation and pension increases assume the Bank of England implied inflation spot rate at a term consistent with the term of the liabilities less a factor to reflect supply and demand issues, CPI inflation is assumed to lag long term RPI inflation by a pre-determined factor.
Mortality assumptions are updated from the latest version of the CMI projection model and assumptions are made to determine the long term improvement rates and the proportion of members expected to be married at retirement.
Short term and other long term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the period when the employee renders the services. These benefits include salaries, wages, performance incentives and compensated absences.

The liability in respect of accumulated compensated absences is provided for on the basis of actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss of the year in which they occur.

Share - based payment

Employees (including senior executives) of ours receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Provisions

A provision is recognised if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the time of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Constructive obligation is an obligation that derives from an entity's actions where: (i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognised when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

Revenue from contract with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangement because we typically control goods or services before transferring them to the customers.

Revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Also, in determining the transaction price for the sale of products, we consider the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

As per Ind AS 115, we determine whether there is a significant financing component in our contracts. However, we have decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where we expect, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, we do not account for a financing component. No long-term advances from customers are generally received by us.

Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, we account for warranties in accordance with Ind AS 37.

We disaggregate revenue from contracts with customers by geography.

Sale of services

We recognise revenue from these contracts on satisfaction of performance obligation towards rendering of such services over time, as and when the services are rendered in accordance with the specific terms of contracts with customers. Our performance obligation is limited to providing resources required for these services

Export benefits

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Disaggregated revenue information

We present disaggregation of revenue from contracts with customers for the respective years by type of goods and services and timing of revenue recognition. We believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before we transfer the related goods or services. Contract liabilities are recognised as revenue when we perform under the contract (i.e., transfers control of the related goods or services to the customer).

Recognition of interest income or expense

Interest income or expense is accrued on a time basis and recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to: (i) the gross carrying amount of the financial asset; or (ii) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognized when the right to receive payment is established.

Claims receivables on account of insurance are accounted for to the extent we are reasonably certain of their ultimate collection.

Borrowing costs

Borrowing costs are interest and other costs incurred by us in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current income tax assets and liabilities are measured at the amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, we rely on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
We offset deferred tax assets and deferred tax liabilities if and only if we have a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except: (i) when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or (ii) when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.
Leases

We evaluate each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116:

Us as a lessee

Our lease asset classes primarily consist of leases for land and buildings. We assess whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether: (i) the contract involves the use of an identified asset (ii) we have substantially all of the economic benefits from use of the asset through the period of the lease and (iii) we have the right to direct the use of the asset.

At the date of commencement of the lease, we recognize a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which we are a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, we recognize the lease payments as an operating expense on a straight-line basis over the term of the lease. "
Lease arrangements may include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities may include these options when it is reasonably certain that they will be exercised.
The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates pertaining to us. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if we change our assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flow activities.

Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus except trade receivables where there is no significant financing component, are recorded at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that we commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories: (i) debt instruments at amortised cost; (ii) debt instruments at fair value through other comprehensive income (FVOCI); (iii) debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL); and (iv) equity instruments measured at fair value through other comprehensive income (FVOCI).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the

financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, at initial recognition, we may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, we may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. We make such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decide to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, we may transfer the cumulative gain or loss to retained earnings.
Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

We recognise loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, we assess whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data: (i) significant financial difficulty of the borrower or issuer; (ii) the breach of contract such as a default or being past due for 90 days or more; (iii) the restructuring of a loan or advance by us on terms that we would not consider otherwise; (iv) it is probable that the borrower will enter bankruptcy or other financial re-organisation; or (v) the disappearance of an active market for a security because of financial difficulties.

We measure loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses: Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which we are exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, we consider reasonable and supportable information that is relevant and available without

undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to us in accordance with the contract and the cash flow that we expect to receive).

Presentation of allowance for expected credit losses in the balance sheet Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with our procedure for recovery of amounts due.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from our balance sheet) when: (i) the rights to receive cash flows from the asset have expired; or (ii) we have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or have entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories: (i) financial liabilities at fair value through profit or loss (FVPL); and (ii) financial liabilities at amortised cost (loans and borrowings).

A financial liability is classified as at FVPL 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 FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

We use various types of derivative financial instruments to hedge our currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, we currently have a legally enforceable right to set off the amounts and we intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

Our non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

Operating Segments

An operating segment is a component of ours that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of our other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by our Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of: (i) changes during the period in operating receivables and payables transactions of a non-cash nature; (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

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.

Cash dividend

We recognise a liability to pay dividend to our equity holders when the distribution is authorised and the distribution is no longer at our discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Earnings per share

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

Functional and presentation currency

The Financial Statements are presented in Indian Rupees, which is the functional, and presentation currency of the Company.

The items included in Financial Statements of each of our entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the OCI or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their Statements of Profit and Loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. However, if exchange rates fluctuate significantly during the period, the exchange rates at the date of transactions are used. The resulting exchange differences arising on the translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Net Investment in Foreign Operations

When a monetary item forms part of our net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the FCTR. Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.

Fair value measurement

A number of our accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. We have an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement 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: (i) Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities; (ii) 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); and (iii) 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 liability, we use observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

We recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of ours for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Basis of measurement

The Restated Consolidated Financial information have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments) (Refer accounting policy regarding financial instruments)	Fair value

The Company has prepared the Restated Consolidated Financial information on the basis that it will continue to operate as a going concern.

Changes in accounting policies and disclosures

Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. There is no such notification that would have been applicable from April 1, 2026.

Adoption of New and Revised Standards

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules from time to time. During the current year, the Company has applied the following amendments to Ind AS that are effective for annual reporting periods beginning on or after April 1, 2026.

Amendment to Ind AS 1 – Presentation of Financial Statements

Effective April 1, 2026, the amendment relates to the classification of liabilities as current or non-current and non-current liabilities with covenants. In classifying a liability as current, the amendment removes the requirement for the right to defer settlement for at least 12 months after the reporting date and instead requires that such right must exist and have substance as at the reporting date. The amendment also provides guidance on the classification of liabilities subject to covenants. The Company has assessed the impact of this amendment and concluded that it does not have any material impact on its financial statements.

Amendment to Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures

Effective April 1, 2026, the amendment to Ind AS 7 requires entities to disclose information about supplier finance arrangements, including their nature, carrying amount of liabilities, and payment terms, to enable users of financial statements to assess their effects on liabilities, cash flows, and exposure to liquidity risk. Correspondingly, Ind AS 107 has been amended to require additional disclosures regarding the impact of such arrangements on liquidity risk. Based on its assessment, the Company has determined that the amendment does not have any material impact on its financial statements.

Amendment to Ind AS 12 – International Tax Reform: Pillar Two Model Rules

The amendments provide a temporary mandatory exception from accounting for deferred taxes arising from Pillar Two top-up taxes and require entities to disclose that they have applied the exception. The amendments also introduce disclosure requirements relating to exposure to Pillar Two income taxes. These requirements apply for annual reporting periods beginning on or after April 1, 2026. The Company has reviewed the amendment and determined that it does not have any material impact on its financial statements.

Amendment to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

Effective April 1, 2026, the amendment clarifies how an entity should assess whether a currency is exchangeable and determine the exchange rate to use when exchangeability is lacking. The Company has evaluated the amendment and concluded that its adoption does not have any material impact on the disclosures or amounts recognized in these financial statements.

Standards issued but not yet effective

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1: The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non-current and require retrospective application in accordance with Ind AS 8. These amendments are effective for reporting periods beginning on or after April 1, 2026. The Company will evaluate the impact of this amendment and implement the necessary changes in its financial reporting for periods commencing on or after the effective date.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Therefore, actual results could differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying our accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

We applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, we sell goods, transportation and warranty services bundled together with sales of goods. We allocated the portion of the transaction price to goods basis on our relative standalone prices.

Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Non-Cumulative Compulsorily Convertible Preference Shares

We have issued Non-Cumulative Compulsorily Convertible Preference Shares which meets the fixed-to-fixed criteria at the date of issuance. We have assessed the terms of such instruments and classified these as equity.

Impairment testing

We have reviewed our carrying value of long term investments in equity shares as disclosed in note 11 of Restated Consolidated Financial information at the end of each reporting period, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. If the recoverable value, which is based upon economic circumstances and future plan is less than its carrying amount, the impairment loss is accounted.

Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances.

Determining lease term

We determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. We have some property lease arrangements with our holding group that include option to terminate the contract by either party at any time by giving advance notice. We applied judgment in evaluating whether it is reasonably certain for both the parties to terminate the property lease contract before the lease term. It considered all the factors that create economic incentive for the parties to continue with lease or terminate including alternatives available for the office lease, use of underlying property, leasehold improvements made and accordingly determined lease term.

The lease term is reassessed if an option is actually exercised (or not exercised) or we become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. We based our assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond our control. Such changes are reflected in the assumptions when they occur.

Useful life of assets of (Property, plant and equipment)

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 our assets are determined by management at the time the asset is acquired and reviewed at each financial year end.

Impairment of property, plant and equipment (PPE) and intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. It does not include restructuring activities that we are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment and intangible assets recognised by us.

Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against us, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Estimation of Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability we consider whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Government grant

During the period, management has assessed the conditions attached to grants which have been met and has assessed whether the grants will be received or not and the period in which it will be received. Basis assessment, we have recognised the government grants in the Statement of profit and loss and accordingly classified as current and non-current assets.

Recoverability of intangible asset

Capitalisation of cost in intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, our management has determined that here are no factors which indicates that these assets have suffered any impairment loss.

Climate – related matters

We consider climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on us due to both physical and transition risks. Even though we believe our business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the Restated Consolidated Financial information. Even though climate-related risks might not currently have a significant impact on measurement, we are closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are useful life of property, plant and equipment and Impairment of non-financial assets.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscal 2026, 2025 and 2024, except as mentioned below:

Put Option Liability: We continue to control Hewland Engineering Limited, and have recorded non-controlling interest ("**NCI**") for shares held by third parties. An agreement has been entered into with certain NCI holder, which provides for a put as well as a call option, exercisable at a price determined as per the terms of the agreement. We have concluded that we do not control these shares and hence have recorded these shares as part of our NCI. We have determined that the triggering events for exercising the option under the agreement are not within our complete control and have thus recorded a call option liability at the present value of the expected future outflow, which is also the maximum amount, by debiting NCI reserve. Subsequent re-measurement of this liability is also recognised in the same head considering adjustments for transactions with NCI, that do not result in loss of control, are accounted for as equity transactions.

***Internally generated intangible assets- research and development expenditure*:** Internally generated intangible assets are amortised over a period of five years.

***Inventories*.** The cost of various components of inventory is determined as follows:

Component of Inventory	As of March 31, 2026	As of March 31, 2025
Finished Goods	Cost include appropriate proportion of overheads wherever applicable. Goods in transit are valued at cost excluding import duties wherever applicable	Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on Weighted Average Cost Method

Defined Benefit Plan

Particulars	As of March 31, 2026	As of March 31, 2025
Service costs and net interest cost on defined benefit obligations	Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss as employee benefit expense and finance costs respectively.	Service cost and net interest cost on the defined benefit liabilities/assets are recognized in the statement of profit and loss

During the year ended March 31, 2026, we revised our accounting policy for the presentation of the net interest component of defined benefit plans and have presented the same under Finance Costs instead of Employee Benefits Expense. Accordingly, comparative figures for the years ended March 31, 2025 and March 31, 2024 have been regrouped/reclassified to align with the current year's accounting policy. This change relates solely to presentation and has no impact on profit, earnings per share and net worth for any of the periods presented.

***Changes in accounting policies and disclosures – Recent Pronouncements*:** The Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards)Rules from time to time. MCA has notified amendments to Ind AS - Presentation of Financial Statements (classification of liabilities as current or non-current, including liabilities with covenants). Ind AS 12- income Taxes (International Tax Reform- Pillar Two Model Rules), Ind AS 21- The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) and Ind AS 7- Statement of Cash Flows and Ind AS 107- Financial Instruments: Disclosures (Supplier Finance Arrangements) respectively, effectively from April 01, 2026. The new standard and aforesaid amendment did not have any material impact on the amounts recognized and are not expected to significantly affect the current or future periods. Amendments to Ind AS issued but not yet effective. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 – The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non-current and require retrospective application in accordance with Ind AS 8, effective for reporting periods beginning on or after April 1, 2026. We do not expect any material impact on its financial statements.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Our total income comprises revenue from operations and other income. We generate majority of our revenue from the sale of gear components, assemblies, gearboxes, e-axle systems, motors, drive systems in Powertrain solutions and various structural components in Alloy and Metallics for electrified as well as non-electrified two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and non-automotive sectors to global automotive OEMs across US, Europe, India and ASEAN region.

Expenses

Cost of Materials Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Finished Goods and Work-in Progress and Stock in Trade

Cost of materials consumed primarily includes the cost of raw materials. For gear sets, assemblies and gearboxes, key raw materials are gear blanks. For assembly of CVT hubs, several components are being sourced as raw materials which includes planets, die cast hub housing, controllers, free wheels and plastic molded components. For manufacturing traction motors, a number of components are sourced as raw materials which includes die cast hub housing, magnets, planet gears and rings. For e-drive systems, raw materials include key electronic components such as batteries, controllers, sensors, displays, chargers, motors and throttles. The principal raw materials for alloys and metallics components are metal sheets.

Changes in inventories of finished goods and work-in-progress denotes increase/decrease in inventories of finished goods, work in progress and stock in trade and stores and spares between opening and closing dates of a reporting period.

Employee Benefit Expense

Employee benefit expenses primarily include salaries, wages, bonus, share based payments paid / accrued to our employees and employee welfare expenses.

Depreciation and Amortization expenses

Depreciation and amortization expenses primarily include depreciation expenses on our property, plant and equipment and amortization expenses on our intangibles and right of use assets.

Finance Cost

Finance cost includes interest on term loans and working capital borrowings, finance charges for sanction/renewal of credit facilities and bank charges for various banking and/or trade finance transactions done with the banks.

Other Expenses

Other expenses primarily comprise contract labour charges, power and fuel expenses, consumption of stores and spares, packaging materials consumed, repair and maintenance on building, plant & machinery and freight and forwarding charges.

Administrative expenses mainly consist of legal and professional charges, travelling, conveyance and vehicle expenses, insurance, repair and maintenance – others.

RESULTS OF OPERATIONS FOR FISCALS 2026, 2025 AND 2024

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2026, 2025 and 2024:

Particulars	Fiscal					
	2026		2025		2024	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Income						
Revenue from operations	11,883.51	97.67%	10,895.93	98.05%	10,643.86	98.24%
Other income	283.91	2.33%	216.40	1.95%	190.33	1.76%
Total Income	**12,167.42**	**100.00%**	**11,112.33**	**100.00%**	**10,834.19**	**100.00%**
Expenses						
Cost of materials consumed	6,535.02	53.71%	6,304.43	56.73%	6,404.49	59.11%
Purchase of stock-in-trade	277.14	2.28%	76.57	0.69%	-	-
Change in inventories of finished goods, work-in-progress and stock-in-trade	116.72	0.96%	(6.69)	(0.06%)	45.67	0.42%
Employee benefits expense[(1)]	1,645.08	13.52%	1,711.38	15.40%	1,773.67	16.37%
Finance costs	408.38	3.36%	369.84	3.33%	334.13	3.08%
Depreciation and amortization expense	459.40	3.78%	379.44	3.41%	285.51	2.64%
Other expenses	2,096.05	17.23%	1,886.60	16.98%	1,747.60	16.13%
Total expenses	**11,537.79**	**94.83%**	**10,721.57**	**96.48%**	**10,591.07**	**97.76%**

Particulars	Fiscal					
	2026		2025		2024	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Restated profit before exceptional items and tax	**629.63**	**5.17%**	**390.76**	**3.52%**	**243.12**	**2.24%**
Exceptional items	(19.59)	(0.16%)	-	-	-	-
Restated profit before tax	610.04	5.01%	390.76	3.52%	243.12	2.24%
Tax expense:						
Current tax	214.37	1.76%	77.43	0.70%	12.46	0.12%
Deferred tax	(16.01)	(0.13%)	(14.63)	(0.13%)	60.31	0.56%
Total tax expense	**198.36**	**1.63%**	**62.80**	**0.57%**	**72.77**	**0.67%**
Restated profit for the period/year	**411.68**	**3.38%**	**327.96**	**2.95%**	**170.35**	**1.57%**

(1) Includes share based payment mentioned which are non-cash in nature.

(2) The restated profit for the period/ year is including the pre-tax non-cash share-based payment of ₹ 105.03 million in Fiscal 2026, ₹ 148.17 million in Fiscal 2025 and ₹ 394.62 million in Fiscal 2024.

FISCAL 2026 COMPARED TO FISCAL 2025

Total Income

Total income increased from ₹ 11,112.33 million in Fiscal 2025 to ₹ 12,167.42 million in Fiscal 2026 primarily on account of increases in revenue from operations and other income.

Revenue from Operations

Revenue from operations increased by 9.06% from ₹ 10,895.93 million in Fiscal 2025 to ₹ 11,883.51 million in Fiscal 2026, primarily on account of an increase in offtake from certain Indian and international customers.

The table below provides details of revenue from operations generated from Powertrain Solutions and A&M Business segments and corresponding year on year increase/(decrease) for Fiscal 2026 and Fiscal 2025:

Segment	Fiscal 2026		Fiscal 2025	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Powertrain Solutions	6,377.53	53.67%	5,342.47	49.03%
A&M	5,505.98	46.33%	5,553.46	50.97%

Other operating income marginally decreased from ₹ 390.45 million in Fiscal 2025 to ₹ 348.76 million in Fiscal 2026 primarily on account of low call off recovery received from customers in Fiscal 2026 as compared to Fiscal 2025.

Other Income

Other income increased by 31.20% from ₹216.40 million in Fiscal 2025 to ₹283.91 million in Fiscal 2026. This increase was primarily attributable to (i) an increase in foreign exchange fluctuation gain (net) from ₹120.49 million in Fiscal 2025 to ₹191.33 million in Fiscal 2026 on account of increase in revenue from international customers and positive fluctuations of foreign exchange, and (ii) an increase in commission income from ₹18.30 million in Fiscal 2025 to ₹30.76 million in Fiscal 2026. These increases were partially offset by a decrease in interest income on bank deposits from ₹40.89 million in Fiscal 2025 to ₹22.95 million in Fiscal 2026 and a decrease in excess provisions/liabilities written back from ₹20.03 million in Fiscal 2025 to ₹1.91 million in Fiscal 2026.

Expenses

Total expenses increased by 7.61% from ₹ 10,721.57 million in Fiscal 2025 to ₹ 11,537.79 million in Fiscal 2026, primarily on account of an increase in cost of materials consumed, finance costs, depreciation and amortisation expense, and other expenses. This was partially offset by a decrease in employee benefits expense.

Cost of materials consumed

Cost of material consumed was ₹ 6,535.02 million in Fiscal 2026 as compared to ₹ 6,304.43 million in Fiscal 2025. Purchases during the period / year were ₹ 6,770.10 million in Fiscal 2026 as compared to ₹ 6,380.85 million in Fiscal 2025.

Employee benefits expense

Employee benefits expenses decreased by 3.87% from ₹ 1,711.38 million in Fiscal 2025 to ₹1,645.08 million in Fiscal 2026. This decrease was primarily attributable to (i) a decrease in share-based payment expenses from ₹148.17 million in Fiscal 2025 to ₹105.03 million in Fiscal 2026, (ii) a decrease in gratuity expense from ₹ 31.77 million in Fiscal 2025 to ₹ 22.09 million in

Fiscal 2026. This was on account of a decrease in our employees from 1,532 as of March 31, 2025 to 1,388 as to March 31, 2026.

Finance costs

Finance costs increased by 10.42% from ₹369.84 million in Fiscal 2025 to ₹408.38 million in Fiscal 2026. This increase was primarily attributable to (i) an increase in interest expense on term loans and working capital facilities from ₹220.05 million in Fiscal 2025 to ₹248.97 million in Fiscal 2026 on account of an increase in working capital loans availed by us, and (iii) an increase in other borrowing costs –interest on lease liability from ₹19.02 million in Fiscal 2025 to ₹26.01 million in Fiscal 2026.

Depreciation and amortisation expenses

Depreciation and amortisation expense increased by 21.07% from ₹379.44 million in Fiscal 2025 to ₹459.40 million in Fiscal 2026. This increase was primarily attributable to (i) an increase in amortisation of intangible assets from ₹12.29 million in Fiscal 2025 to ₹51.80 million in Fiscal 2026, (ii) an increase in depreciation of property, plant and equipment from ₹306.95 million in Fiscal 2025 to ₹340.87 million in Fiscal 2026, and (iii) an increase in depreciation on right-of-use assets from ₹60.20 million in Fiscal 2025 to ₹66.73 million in Fiscal 2026.

Other Expenses

Other expenses increased by 11.10% from ₹ 1,886.60 million in Fiscal 2025 to ₹ 2,096.05 million in Fiscal 2026 primarily on account of increases in:

- Consumption of store and spares from ₹ 272.75 million in Fiscal 2025 to ₹ 373.84 million in Fiscal 2026;
- Freight and forward charges from ₹ 152.00 million in Fiscal 2025 to ₹ 180.49 million in Fiscal 2026; and
- Contract Labour charges from ₹ 380.64 million in Fiscal 2025 to ₹ 414.68 million in Fiscal 2026.

This increase was commensurate with the increase in our production and operations during Fiscal 2026.

Restated profit before exceptional items and tax

Restated profit before exceptional items and tax increased from ₹ 390.76 million in Fiscal 2025 to ₹ 629.63 million in Fiscal 2026.

Exceptional items

Exceptional items – statutory impact of new labour codes was ₹19.59 million in Fiscal 2026 as compared to nil in Fiscal 2025.

Restated profit before tax

For the reasons stated above, restated profit before tax was ₹ 390.76 million in Fiscal 2026 as compared to ₹ 610.04 million in Fiscal 2025.

Total tax expense

Total tax expense in Fiscal 2026 increased from ₹ 62.80 million in Fiscal 2025 to ₹ 198.36 million in Fiscal 2026. Current tax expense increased from ₹ 77.43 million in Fiscal 2025 to ₹ 214.37 million in Fiscal 2026 on account of increase in operational profit.

Restated profit for the year

For the reasons stated above, profit for the year increased to ₹ 411.68 million in Fiscal 2025 compared to ₹ 327.96 million in Fiscal 2026.

FISCAL 2025 COMPARED TO FISCAL 2024

Total Income

Total income increased from ₹ 10,834.19 million in Fiscal 2024 to ₹ 11,112.33 million in Fiscal 2025 primarily on account of an increase in revenue from operations and other income.

Revenue from Operations

Revenue from operations increased by 2.37% from ₹10,643.86 million in Fiscal 2024 to ₹10,895.93 million in Fiscal 2025, primarily on account of an increase in revenue from the Powertrain segment from one of our international customers and the A&M segment from one of our domestic customers.

The table below provides details of revenue from operations generated from Powertrain Solutions and A&M Business segments and corresponding year on year increase/(decrease) for Fiscal 2025 and Fiscal 2024:

Particulars	Fiscal 2025	Fiscal 2024	Increase/ (Decrease)
	(₹ million)		(%)
Powertrain Solutions	5,342.47	5,202.31	2.69%
A&M	5,553.46	5,441.55	2.05%

Other operating income increased from ₹ 249.85 million in Fiscal 2024 to ₹ 390.45 million in Fiscal 2025 primarily on account of low call off recovery received from customers in Fiscal 2024 as compared to Fiscal 2025.

Other Income

Other income increased by 13.70% from ₹190.33 million in Fiscal 2024 to ₹216.40 million in Fiscal 2025. This increase was primarily attributable to an increase in foreign exchange fluctuation gain (net) from ₹24.61 million in Fiscal 2024 to ₹120.49 million in Fiscal 2025 on account of an increase in revenue from international customers and positive fluctuations of foreign exchange. This was partially offset by a decrease in interest income - others from ₹36.72 million in Fiscal 2024 to ₹6.55 million in Fiscal 2025, and a decrease in gain on derecognition of right-of-use asset and lease liability from ₹10.51 million in Fiscal 2024 to nil in Fiscal 2025.

Expenses

Total expenses increased by 1.23% from ₹10,591.07 million in Fiscal 2024 to ₹10,721.57 million in Fiscal 2025, primarily on account of increases in finance costs, depreciation and amortisation expense, and other expenses. This was partially offset by a decrease in employee benefits expense and cost of materials consumed.

Cost of materials consumed

Cost of material consumed was ₹6,304.43 million in Fiscal 2025 as compared to ₹6,404.49 million in Fiscal 2024. Purchases during the period / year were ₹6,380.85 million in Fiscal 2025 as compared to ₹6,297.37 million in Fiscal 2024.

Employee benefits expense

Employee benefits expense decreased by 3.51% from ₹1,773.67 million in Fiscal 2024 to ₹1,711.38 million in Fiscal 2025. This decrease was primarily attributable to a decrease in share-based payment expenses from ₹394.62 million in Fiscal 2024 to ₹148.17 million in Fiscal 2025, in accordance with our ESOP scheme. This decrease was partially offset by an increase in salaries, wages and bonus from ₹1,177.86 million in Fiscal 2024 to ₹1,340.88 million in Fiscal 2025 primarily on account of annual increments.

Finance costs

Finance costs increased by 10.68% from ₹334.13 million in Fiscal 2024 to ₹369.84 million in Fiscal 2025. This increase was primarily attributable to an increase in interest expense on term loans and working capital facilities from ₹162.81 million in Fiscal 2024 to ₹220.05 million in Fiscal 2025 on account of an increase in borrowings availed by us. This was partially offset by a decrease in other borrowing cost – others from ₹18.16 million in Fiscal 2024 to ₹7.78 million in Fiscal 2025.

Depreciation and amortisation expenses

Depreciation and amortisation expense increased by 32.90% from ₹285.51 million in Fiscal 2024 to ₹379.44 million in Fiscal 2025. This increase was primarily attributable to (i) an increase in depreciation of property, plant and equipment from ₹226.88 million in Fiscal 2024 to ₹306.95 million in Fiscal 2025, (ii) an increase in amortisation of intangible assets from ₹8.55 million in Fiscal 2024 to ₹12.29 million in Fiscal 2025 and (iii) an increase in depreciation on right-of-use assets from ₹50.08 million in Fiscal 2024 to ₹60.20 million in Fiscal 2025.

Other Expenses

Other expenses increased by 7.95 % from ₹ 1,747.60 million in Fiscal 2024 to ₹ 1,886.60 million in Fiscal 2025 primarily on account increases in:

- Contractual labour charges from ₹ 333.34 million in Fiscal 2024 to ₹ 380.64 million in Fiscal 2025 on account of revision in minimum wages;
- Consumption of stores and spares from ₹ 210.02 million in Fiscal 2024 to ₹ 272.75 million in Fiscal 2025 on account of increase in revenue generate from the Powertrain segment;
- Power and fuel from ₹281.98 million in Fiscal 2024 to ₹297.75 million in Fiscal 2025.

These increases were partially offset by a decrease in foreign exchange fluctuation loss (net) from ₹29.81 million in Fiscal 2024 to nil in Fiscal 2025, and a decrease in packing material consumed from ₹222.03 million in Fiscal 2024 to ₹214.95 million in Fiscal 2025.

Restated profit before exceptional items and tax

Restated profit before exceptional items and tax increased from ₹ 243.12 million in Fiscal 2024 to ₹ 390.76 million in Fiscal 2025.

Restated profit before tax

For the reasons stated above, restated profit before tax was ₹ 390.76 million in Fiscal 2025 compared to ₹ 243.12 million in Fiscal 2024.

Total tax expense

Total tax expense decreased from ₹ 72.77 million in Fiscal 2024 to ₹ 62.80 million in Fiscal 2025. Current tax expense increased from ₹ 12.46 million in Fiscal 2024 to ₹ 77.43 million in Fiscal 2025 commensurate with the increase in our operations and deferred tax expense decreased from ₹ 60.31 million in Fiscal 2024 to ₹(14.63) million in Fiscal 2025.

Restated profit for the year

For the reasons stated above, profit for the year increased to ₹ 327.96 million in Fiscal 2025 compared to ₹ 170.35 million in Fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements primarily relate to capital expenditure and working capital. Our sources of liquidity for Fiscal 2026, 2025 and 2024 were cash generated from operating activities and borrowings from banks and financial institutions. We expect that our primary sources of liquidity will continue to be cash generated from operating activities and borrowings.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal		
	2026	2025	2024
	(₹ million)		
Net cash generated from operating activities	1,440.42	483.43	1,319.66
Net cash inflow from / (used in) investing activities	(693.86)	(1,352.31)	(769.27)
Net cash inflow from / (used in) financing activities	(617.98)	536.91	(203.63)
Net increase/(decrease) in cash and cash equivalents	128.58	(331.97)	346.76
Total cash and cash equivalent	223.92	94.48	422.61

Operating Activities

Fiscal 2026

Net cash flows generated from operating activities was ₹ 1,440.42 million in Fiscal 2026. Restated profit before tax was ₹ 610.04 million. Adjustments primarily included depreciation and amortization of ₹ 459.40 million; finance costs of ₹ 338.41 million, other borrowing cost of ₹ 69.97 million; provision/sundry balances written back of ₹ (1.91) million; unrealized foreign exchange loss of ₹ (156.21) million; employee stock option of ₹ 105.03 million; and interest income of ₹ (39.94) million. Operating profit before working capital changes were ₹1,378,82 million. Working capital adjustments included increase in trade receivables of ₹ 454.46 million; increase in inventories of ₹ 172.56 million; increase in other financial assets of ₹ 6.75 million; increase in other assets of ₹ 246.08 million; increase in trade payable of ₹ 29.81 million; increase in other financial liabilities of ₹ 957.03 million; and increase in other liabilities of ₹ 31.68 million. Cash generated from operations were ₹ 1,579.71 million for Fiscal 2026. Income tax paid (net) was ₹ 139.29 million.

Fiscal 2025

Net cash flows generated from operating activities was ₹ 483.43 million in Fiscal 2025. Restated profit before tax was ₹ 390.76 million. Adjustments primarily included depreciation and amortization of ₹ 379.44 million; finance costs of ₹ 304.95 million, other borrowing cost of ₹ 64.89 million; provision/sundry balances written back of ₹ (20.03) million; unrealized foreign exchange loss of ₹ (13.27) million; employee stock option of ₹ 148.17 million; and interest income of ₹ (47.43) million. Operating profit before working capital changes were ₹ 1,200.83 million. Working capital adjustments included increase in trade receivables of ₹ 60.53 million; increase in inventories of ₹ 113.59 million; increase in other financial assets of ₹ 105.56 million; decrease in other assets of ₹ 46.39 million; increase in trade payable of ₹ 28.54 million; decrease in other financial liabilities of ₹ 376.04 million; and decrease in other liabilities of ₹ 65.54 million. Cash generated from operations were ₹ 595.78 million for Fiscal 2025. Income tax paid (net) was ₹ 112.35 million.

Fiscal 2024

Net cash inflow from operating activities was ₹ 1319.66 million in Fiscal 2024. Restated profit before tax was ₹ 243.12 million. Adjustments primarily included depreciation and amortization of ₹ 285.51 million; finance costs of ₹ 230.01 million, other borrowing cost of ₹ 104.12 million; provision/sundry balances written back of ₹ (30.01) million; unrealized foreign exchange loss of ₹ 8.51 million; employee stock option of ₹ 394.62 million; and interest income of ₹ (96.76) million. Operating profit before working capital changes were ₹ 1,072.87 million. Working capital adjustments included decrease in trade receivables of ₹ 555.53 million; decrease in inventories of ₹ 158.95 million; decrease in other financial assets of ₹ 193.43 million; and an increase in other assets of ₹ 234.56 million; decrease in trade payable of ₹ 92.61 million; decrease in other financial liabilities of ₹ 304.96 million; and increase in other liabilities of ₹ 67.58 million. Cash generated from operations were ₹ 1,413.08 million for Fiscal 2024. Income tax paid (net) was ₹ 93.42 million.

Investing Activities

Fiscal 2026

Net cash used in investing activities was ₹ (693.86) million in Fiscal 2026, primarily on account of purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors) of ₹ (758.39) million; purchase of intangible assets and intangible assets under development of ₹ (164.12) million; proceeds from sale of property, plant and equipment of ₹2.30 million; sale of mutual fund of ₹ 0.01 million, loan given of ₹ (1.95) million; interest received of ₹ 45.19 million and investment in bank deposits (having original maturity of more than three months) of ₹ 183.10 million.

Fiscal 2025

Net cash used in investing activities was ₹ (1,352.31) million in Fiscal 2025, primarily on account of purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors) of ₹ (1,312.58) million, purchase of intangible assets and intangible assets under development of ₹ (211.39) million; sale of mutual fund of ₹ 50.07 million, loan given of ₹ (5.64) million; interest received of ₹ 61.89 million and investment in bank deposits (having original maturity of more than three months) of ₹ 76.90 million.

Fiscal 2024

Net cash used in investing activities was ₹ (769.27) million in Fiscal 2024, primarily on account of purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors) of ₹ (1,126.71) million, purchase of intangible assets and intangible assets under development of ₹ (201.66) million; sale of mutual fund of ₹ 94.99 million, loan given of ₹ (15.54) million; interest received of ₹ 85.44 million and investment in bank deposits (having original maturity of more than three months) of ₹ 395.52 million.

Financing Activities

Fiscal 2026

Net cash used in financing activities was ₹ (617.98) million in Fiscal 2026, primarily on account of proceeds from long term borrowings of ₹ 356.27 million; repayment of long-term borrowings of ₹ (478.40) million; proceeds from short term borrowings (net) of ₹ (12.68) million; other borrowing costs of ₹ (69.97) million; payment of principal portion of lease liabilities of ₹ (130.14) million; payment of interest portion of lease liabilities of ₹ (26.01) million and interest expenses paid of ₹ (312.90) million.

Fiscal 2025

Net cash used in financing activities was ₹ 536.91 million in Fiscal 2025, primarily on account of proceeds from long term borrowings (net) of ₹ 485.53 million; proceeds from short term borrowings (net) of ₹ 548.04 million; payment of interim dividend of ₹ (94.21) million; other borrowing costs of ₹ (64.89) million; payment of principal portion of lease liabilities of ₹ (68.58) million; payment of interest portion of lease liabilities of ₹ (19.02) million and interest expenses paid of ₹ (284.86)million.

Fiscal 2024

Net cash used in financing activities was ₹ (203.63)million in Fiscal 2024, primarily on account of proceeds from long term borrowings of ₹ 482.50 million; repayment of long-term borrowings of ₹ (225.31) million; proceeds from short term borrowings (net) of ₹ 82.32 million; payment of interim dividend of ₹ (93.57) million; other borrowing costs of ₹ (104.12) million; payment of principal portion of lease liabilities of ₹ (68.16) million; payment of interest portion of lease liabilities of ₹ (18.41) million and interest expenses paid of ₹ (255.95) million.

INDEBTEDNESS

As of March 31, 2026, our outstanding long-term debt was ₹ 987.69 million and short-term debt was ₹ 3,020.20 million while our debt-to-equity ratio was 0.83.

The following table sets forth certain information relating to our total debt as of March 31, 2026, and our repayment obligations in the periods indicated:

Particulars	As of March 31, 2026		
	Payment due by period		
	(₹ million)		
	2026-27	2027-28	Beyond 2028-29
Term loan from banks repayable in quarterly instalments	540.34	501.38	344.20
External commercial borrowings	83.69	83.69	-
Loan from others (Director of Subsidiary, Company)	12.55	-	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2026, contingent liabilities that have not been accounted for in our Restated Consolidated Financial Information are as follows:

(₹ million)

Particulars	As at March 31, 2026 (₹ million)
Sales tax demand	-
Legal cases of labour pending before labour court	9.89
H M Customs and excise duty deferment bond	-
Claims against the Company not acknowledged as debt	2.33
Bank guarantee	21.08
Direct Taxation – Income tax	1.63

i) Several Legal Cases of labour pending at labour Court, Civil Court and High Court. The Parent Company has assessed and believe that none of these cases, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

ii) Sadhu Forging Limited has filed a suit claiming ₹3.93 million towards alleged outstanding payment for supplied material. Hero Motors Limited has contested the claim on the grounds that the material supplied was defective, rejected, and corresponding debit notes were raised. Vide order dated 28.01.2026, the Faridabad Court held that it lacks territorial jurisdiction and directed return of the plaint for presentation before the competent Delhi Court. While the Faridabad proceedings have concluded, the matter may be refiled in Delhi, where the outcome remains uncertain due to both factual and legal issues involved.

iii) A claim of ₹2.33 million has been raised by M/s Hari Om Enterprises in relation to alleged outstanding amounts for maintenance and cleaning services provided to the Parent Company. The matter was initially referred to the Pre-Litigation Mediation and Conciliation Centre, which issued a non-starter report. Subsequently, the claimant has issued a notice under Section 21 of the Arbitration and Conciliation Act for invocation of arbitration, to which the Company is in the process of responding.

iv) The Parent Company has received an assessment order for Assessment Year 2023-24 from the Income Tax Department involving a transfer pricing adjustment under Section 92CA of the Income-tax Act, 1961 amounting to ₹5.46 million. Pursuant to the adjustment, a tax demand of ₹1.63 million has been raised. The Company has deposited ₹.33 million (being 20% of the demand) and has filed an appeal before the Commissioner of Income Tax (Appeals) against the assessment order dated 17 March 2026.

For further information see "*Restated Consolidated Financial Information – Note 43 – Contingent Liabilities*" on page 415.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to our commitments:

Particulars	As at March 31, 2026 (₹ million)
Capital commitment: Estimated amount of contracts remaining to be executed on the capital account (net of related capital advances)	244.21

CAPITAL EXPENDITURES

In Fiscal 2026, 2025 and 2024, our capital expenditure towards additions to property, plant and equipment, capital work in progress, other intangible assets and intangible assets under development was ₹ 922.51 million, ₹ 1,523.97 million and ₹ 1,328.37 million, respectively.

The following table sets forth our non-current assets as of the dates indicated:

Particulars	As at March 31,		
	2026	2025	2024
	(₹ million)		
Property, plant and equipment	5,273.09	4,953.70	3,603.06
Right of Use Assets	826.70	298.60	354.75
Capital work in progress	666.49	380.99	596.03
Goodwill	79.73	79.73	79.73
Other intangible assets	260.74	145.33	52.52
Intangible assets under development	283.26	286.35	180.06
Financial assets			
(i) Investments	30.02	30.02	15.62
(ii) Loans	17.00	13.63	13.11
(iii) Other financial assets	49.05	49.76	73.91
Deferred tax asset (net)	55.92	21.44	4.17
Non-current tax assets (net)	50.32	125.39	90.46
Other non-current assets	66.93	105.83	174.17
Total	**7,659.25**	**6,490.77**	**5,237.59**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include managerial remuneration, retainers and consultants fees, directors sitting fees, rental income, loan from related party, interest expenses on loan taken, and repayment of loan and interest. For further information relating to our related party transactions, see "*Restated Consolidated Financial Information – Note 44 – Related Parties Disclosures*" on page 415.

AUDITOR'S OBSERVATIONS

There are no audit qualifications by our Statutory Auditors in our Restated Consolidated Financial Information.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal financial liabilities comprises of trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance our operations and to provide guarantees to support its operations. Our principal financial assets includes investment in mutual funds, loans to related parties, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

We have exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk and
- market risk.

Our senior level management oversees the management of these risks and is supported by finance department that advises on the appropriate financial risk governance framework.

Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in finance loss to our Company. Credit risk arises from cash and cash equivalents, deposits with banks, trade receivables and other financial assets measured at amortised cost. We continuously monitor defaults by customers and other counterparties and incorporate this information into its credit risk control.

We also use expected credit loss model to assess the impairment loss in trade receivables and make an allowances for doubtful trade receivables using this model.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to maintain optimum levels of liquidity to meet our cash and collateral requirements. We closely monitor our liquidity position and deploy a robust cash management system. We maintain adequate sources of financing including loans from banks at an optimised cost.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

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. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. We manage our net exposure to interest rate risk related to borrowings, by balancing a proportion of fixed rate and floating rate borrowing in our total borrowing portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. We are exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income identified above under "– *Significant Factors Affecting our Results of Operations*" and the section "*Our Business*" on pages 246 and 253, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in " – *Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 246 and 21, respectively. To our knowledge, except as discussed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 253 and 446, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 253, 148 and 21, respectively, for further information on competitive conditions that we face across our various business segments.

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 Fiscals are as described in "*– Fiscal 2026 compared to Fiscal 2025*", and "*– Fiscal 2025 compared to Fiscal 2024*" above on pages 470 and 472, respectively.

SEGMENT REPORTING

Our primary reporting has been performed on the basis of business segment. We are organised into key business segments – Power Train & Alloy & Metallics. Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

For further information, see "*Restated Consolidated Financial Information – Note 48. Segment Reporting*" on page 426.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

We derive a significant portion of our revenue from our top 10 customers. The following table sets forth revenue from our top one, top five and top 10 customers for the periods indicated below:

Segment	Fiscal 2026		Fiscal 2025		Fiscal 2026	
	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)
Largest Customer	4,227.44	35.57%	4,227.91	38.80%	4,045.88	38.01%
Top Five Customers	7,298.89	61.42%	6,907.10	63.39%	6,933.56	65.14%
Top 10 Customers	8,661.40	72.89%	8,501.96	78.03%	8,191.86	76.96%

Notes:

(1) Our top one customer, top five customers and top 10 customers are based on the revenue contribution of the relevant customer in the relevant Fiscals, as the case maybe.

(2) For Fiscal 2026, our top 10 customers include River Mobility Private Limited, Hero MotoCorp Limited, BMW-AG, HMC E Valley, enviolo, Makino Auto Industries Private Limited and Ducati. Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(3) For Fiscal 2025, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

(4) For Fiscal 2024, our top 10 customers include Hero MotoCorp Limited, BMW-AG, enviolo, HWA AG, Makino Auto Industries Private Limited and Ducati. Certain customers have not been disclosed here due to non-receipt of consent. Further, contribution of each individual customer to the revenue from operations of our Company has not been separately disclosed to preserve confidentiality.

For further information, see "*Risk Factors - Our business largely depends upon our top 10 customers. In Fiscal 2026, 2025 and 2024 our revenue from operations from top 10 customers was ₹ 8,661.40 million, ₹ 8,501.96 million and ₹ 8,191.86 million, representing 72.89%, 78.03% and 76.96%, of our revenue from operations, respectively. The loss of any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 24.

SEASONALITY/ CYCLICALITY OF BUSINESS

While our business is not seasonal, however, our business prospects and future financial performance depend on the demand of our automotive and non-automotive products in India as well as globally. For further information, see "*Risk Factor - While our business is not seasonal, however, our business prospects and future financial performance depend on the demand for our products. Any decrease in demand for such products could adversely affect our business, results of operations and cash flows.*" on page 39.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO MARCH 31, 2026

No circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court); (ii) all actions (including all disciplinary actions, penalties and show cause notices) taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending material litigations (including civil litigation or arbitration proceeding, in each case involving our Company, Directors, or Promoters or Subsidiaries (collectively, the "**Relevant Parties**") and (v) litigation involving our Group Companies which have a material impact on our Company. Further, except as disclosed in this section, there are no outstanding (i) criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court); and (ii) actions (including all disciplinary actions, penalties and show cause notices) by regulatory or statutory authorities against our Key Managerial Personnel and members of our Senior Management. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action.*

*For the purpose of disclosure of pending material litigation in (iv) above, as regards the Relevant Parties, the monetary amount of claim by or against the entity or person in any such pending proceeding is individually in excess of the lower of either 2% of the turnover of our Company based on the Restated Consolidated Financial Information for the last Fiscal; or 2% of the net worth of our Company based on the Restated Consolidated Financial Information for the last Fiscal; or 5% of the average of the absolute value of the profit/loss after tax of our Company based on the Restated Consolidated Financial Information for the last three Fiscals, is required to be considered, in terms of the SEBI ICDR Regulations. Accordingly, our Board in its meeting held on August 29, 2026, has considered and adopted a policy of materiality ("**Materiality Policy**") in terms of which, any outstanding litigation involving a claim where the dispute amount/the aggregate monetary amount of claim/liability involved by or against the Relevant Parties in any such pending litigation which exceeds ₹ 15.16 million, being the amount equivalent to 5% of average of absolute value of profit/loss after tax for Fiscals 2026, 2025 and 2024 of the Company would be considered 'material' ("**Materiality Threshold**"). In addition, the following pending civil litigation will be considered material (i) the outcome of which is material from the perspective of the Company's business, operations, financial results, prospects or reputation, notwithstanding that the amount involved in such litigation (including any litigation under the Insolvency and Bankruptcy Code, 2016) may not meet the Materiality Threshold or the monetary liability of such litigation is not quantifiable; or (ii) where the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.*

For the purposes of this section, pre-litigation notices (excluding statutory/ regulatory/governmental/ tax authorities or notices threatening criminal action), have not been considered material and/ or have not been disclosed as pending matters until such time that any of the Relevant Parties, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having a monetary value which is equal or exceed 5.00% of the total consolidated outstanding dues (i.e. trade payables) of our Company as of March 31, 2026 shall be considered as 'material'. Accordingly, as on March 31, 2026, any outstanding dues equal to or in excess of ₹ 70.17 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder. All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

A summary of outstanding litigation proceedings involving our Company, Directors, Promoters, Subsidiaries, Key Managerial Personnel and members of our Senior Management as on the date of this Red Herring Prospectus, in accordance with the SEBI ICDR Regulations and as per the Materiality Policy, is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)[*]
Company						
By our Company	1	Nil	Nil	NA	1	Nil
Against our Company	1	1	17	NA	Nil	1.63
Directors[#]						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	1	Nil	Nil	NA	1	Nil

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Promoters						
By the Promoters	Nil	Nil	Nil	NA	Nil	Nil
Against the Promoters	1	Nil	1	Nil	2	Nil
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	NA	Nil	Nil
Against the Subsidiaries	Nil	1	Nil	NA	Nil	0.01
Key Managerial Personnel						
By our Key Managerial Personnel	Nil	NA	Nil	NA	NA	Nil
Against our Key Managerial Personnel	Nil	NA	Nil	NA	NA	Nil
Senior Management						
By members of our Senior Management	Nil	NA	Nil	NA	NA	Nil
Against members of our Senior Management	Nil	NA	Nil	NA	NA	Nil

\# *Includes matters against our Promoter, Pankaj Munjal*

* *To the extent quantifiable*

Litigation involving our Company

Litigation against our Company

Criminal Litigation

1. The Uttar Pradesh Pollution Control Board ("**Complainant**") filed a criminal complaint dated October 23, 2018 ("**Complaint**") before the Special Court of Judicial Magistrate (Water and Air Pollution Control), Lucknow ("**Special Court**") against our Company, our Directors, Pankaj Munjal and Pratibha Goyal, and certain erstwhile directors of our Company ("**Defendants**"), under Section 43 of the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**"). It was alleged by the Complainant that our Company was knowingly discharging its untreated effluent and polluted matter (trade effluents) into a drain in violation of provisions of Water Act. The Complainant inspected the site of our Company's industry located in Greater Noida, on March 7, 2018, in compliance with the order dated January 16, 2018 passed by the Hon'ble National Green Tribunal, Principal Bench, New Delhi ("**NGT**") and collected samples for analysis from our Company's industry. The NGT in an order dated August 8, 2018 issued specific directions to prosecute those industries which discharge polluted trade effluent ("**NGT Order**"). In compliance with the NGT Order, the Special Court vide its order dated April 26, 2019 issued summons to the Defendants to appear before it on May 22, 2019 ("**Summons Order**"). Our Directors, Pankaj Munjal and Pratibha Goyal along with certain erstwhile directors filed applications dated September 9, 2019 and September 19, 2019 respectively before the High Court of Judicature at Allahabad ("**High Court of Allahabad**") under section 482 of the Code of Criminal Procedure, 1973 ("**Cr.P.C**") for quashing the Complaint and the Summons Order and staying the proceedings. The High Court of Allahabad granted the stay in favour of Defendants vide its orders dated September 18, 2019 and September 25, 2019. Thereafter, the Complainant filed an application for vacation of stay order dated October 4, 2019 before the High Court of Allahabad. The matter is currently pending before the High Court of Allahabad.

Actions taken by Regulatory and Statutory Authorities

1. Prem Singh Rana, Sunil Krishan Nagar and Kailash Yadav, workmen of our Company ("**Employees**") raised an industrial dispute before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statements ("**Written Statement**") dated May 20, 2005, March 29, 2015 and June 1, 2005 respectively, against Hero PUCH (a division of Majestic Auto Limited) which was demerged into our Company ("**Defendant**") for wrongful termination of service and demanded reinstatement with back wages. The matter was referred to Labour Court, Ghaziabad under Section 4 of Uttar Pradesh Industrial Dispute Act 1947. All three matters are currently pending before Labour Court, Ghaziabad.

2. Rajesh Kumar, a workman of our Company ("**Employee**") raised an industrial dispute before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statement ("**Written Statement**") dated October 30, 2001, against our Company ("**Defendant**") for wrongful termination of service and demanded reinstatement with back wages. The matter was referred to Labour Court, Ghaziabad under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. Thereafter, the Employee passed away and his wife Rita Singh, after obtaining certificate of inheritance dated March 22, 2018, filed an application dated June 4, 2018 before Presiding Officer, Labour Court, Ghaziabad, to pursue the suit by becoming a party. The matter is currently pending before Labour Court, Ghaziabad.

3. Kaviraj, a workman of our Company ("**Employee**") raised an industrial dispute before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statements ("**Written Statement**") dated June 8, 2004, against Majestic Auto Limited which was demerged into our Company ("**Defendant**") for wrongful termination of service and demanded reinstatement with back wages. The matter was referred to Labour Court,

Ghaziabad under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. Thereafter, the Employee passed away and his daughter Mamta Devi, after obtaining certificate of inheritance filed an application dated August 29, 2018 before Presiding Officer, Labour Court, Ghaziabad, to pursue the suit by becoming a party. The matter is currently pending before Labour Court, Ghaziabad.

4. Madan Pal, a workman of our Company ("**Employee**") raised an industrial dispute before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statement ("**Written Statement**") dated May 9, 1995, against Majestic Auto Limited which was demerged into our Company ("**Defendant**") for wrongful termination of service and demanded reinstatement with back wages. The matter was referred to Labour Court, Ghaziabad under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. The matter is currently pending before Labour Court, Ghaziabad.

5. Munni Lal Prasad, a workman of our Company ("**Employee**") raised an industrial dispute via an application for payment of gratuity ("**Application**") dated October 20, 2020 before Appointed Authority Payment of Gratuity Act, 1972 Labour Office Noida ("**Labour Officer**") against our Company ("**Defendants**") under Payment of Gratuity Act 1972, for payment of unpaid gratuity amount. The matter is currently pending before the Labour Officer.

6. Raj Bahadur Singh and Ravindra Jha, workmen of our Company ("**Employee**") raised two industrial disputes against our Company ("**Defendant**") before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statements ("**Written Statements**") dated April 9, 2003 and February 15, 2013, respectively for wrongful termination of service, in relation to alleged gross acts of misconduct. The matter was referred to Labour Court, Ghaziabad ("**Labour Court**") under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947, where it was examined whether the enquiry conducted by the Defendant for the alleged gross acts of misconduct of the Employee was legal and fair in accordance with principles of natural justice, and the Labour Court vide orders dated May 14, 2013 and September 19, 2017, respectively ("**Orders**") decided that the Defendant shall lead evidence to provide the same. Thereafter, the Defendant filed writ petitions under Articles 226 and 227 of the Constitution of India and applications for stay under section 151 of the Code of Civil Procedure, 1908, both dated July 23, 2013 and November 8, 2017 in relation to industrial disputes raised by Raj Bahadur Singh and Ravindra Jha, respectively before High Court of Allahabad, against Orders. The matter is currently pending.

7. Sri Sant Ram Nagar, a workman of our Company ("**Employee**") raised an industrial dispute against our Company ("**Defendant**") before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statement ("**Written Statement** ") dated March 27, 2006, for wrongful termination of service, in relation to alleged gross acts of misconduct. The matter was referred to Labour Court, Ghaziabad ("**Labour Court**") under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. The Labour Court passed an order stating that the grounds for dismissal of service of Employee was just and fair and imposed a liability on the Defendant to pay a sum of ₹0.5 million along with ₹15,000 as costs instead of re-instatement of the Employee, vide award dated March 3, 2014 published on September 26, 2014. Thereafter, the Defendant filed a writ petition under Articles 226 and 227 of the Constitution of India and an application for stay Section 151 of the Code of Civil Procedure, 1908, both dated January 3, 2015 before High Court of Allahabad ("**High Court**"), against the order passed by the Labour Court and the High court via order dated January 16, 2015 granted the stay. The matter is still pending before the High Court of Allahabad.

8. Mahamantri Hero Motors Shramik Union ("**Plaintiff**") raised an industrial dispute before the Office of Deputy Labour Commissioner, Uttar Pradesh ("**Labour Commissioner"**) via written statement ("**Written Statement**") dated July 28, 2022, against our Company ("**Defendant**") requesting to issue an order to pay the bonus amount at the rate of 20 percent along with cost of interest to the 182 workers for the year 2016-2017. The matter was referred to Labour Court, Ghaziabad under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. The matter is currently pending before Labour Court, Ghaziabad.

9. V.R. Holdings ("**Opponent**") filed notices of opposition to applications for registration of a trade mark ("**Notice of Opposition"**), dated October 6, 2016 and May 26, 2016, respectively under sections 21(1), 64, 66 and 73 of Trade Marks Act, 1999 ("**Trade Marks Act**") and rules 47(1), 131(1) and 138(1) of Trade Marks Rules, 2017 ("**Trade Marks Rules**") before the Registrar of Trade Marks, New Delhi, Delhi, ("**Registrar**") against application no. 2266733 and 2761111 in Class 12 for the mark 'HERO MOTORS' (logo) in the name of our Company. In pursuance of section 21(1) of Trade Marks Act and rule 49 of Trade Marks Rule the Registrar via notice dated May 18, 2017 and March 9, 2017 invited our Company to file a counterstatements. Thereafter on receipt of counterstatement from our Company, the Registrar via notice dated December 12, 2017 and November 22, 2017 invited Opponent to file evidence in support of the opposition. The matter is still pending.

10. Ashwani Kumar Agnihotri ("**Petitioner**") filed a civil writ petition against Hero PUCH (a division of Majestic Auto Limited) which was demerged into our Company ("**Defendant**") on October 29, 2015 before the Allahabad High Court for wrongful termination of service, in relation to alleged fraud by the human resources manager. The matter was referred to Labour Court as adjudication no. 807 of 2003, pursuant to which the Labour Court vide its order dated July 10, 2015, rejected the claim of the Petitioner. Thereafter, the Petitioner filed a writ petition under Articles 226 before High Court of Allahabad ("**High Court**"), against the order passed by the Labour Court. The matter is still pending before the High Court of Allahabad.

11. Central Pollution Control Board, Government of India ("**CPCB**") issued a show cause notice dated December 30, 2024 ("**Show Cause Notice**"), to various companies including our Company, for the alleged non-compliance of Plastic Waste Management Rules, 2016, in relation to, among others, failure in complying with extended producer responsibility obligations for plastic packaging waste management. CPCB vide the Show Cause Notice also levied environmental compensation charges on our Company, aggregating to ₹ 1.17 million for Fiscals 2023 and 2024. Pursuant to this, our Company vide its letter dated January 16, 2025, replied to the Show Cause Notice and provided the requisite supporting documents to the CPCB. Our Company has not received any further communication from CPCB in this regard.

12. Punjab State Power Corporation Limited ("**PSPCL**") issued a notice dated December 22, 2020 against Hero Cycles Limited under Regulation 36 of the Supply Code, 2014 read with Section 126 of the Electricity Act, 2003, for the property situated at Focal Point, Phase-VIII, Ludhiana, Punjab*, alleging unauthorized usage of electricity in relation to the use of 13 rectifiers with a total capacity of 690 KW, which PSPCL had claimed should have been declared as power intensive unit load rather than general industrial load. PSCPL vide its order dated November 22, 2021 ("**Order**") imposed a penalty of ₹ 18.76 million on Hero Cycles Limited as penalty for unauthorized use. Pursuant to the Order, Hero Cycles Limited filed an appeal against the Order in the appellate authority, Punjab State Transmission Corporation Limited ("**PSTCL**") where PSTCL dismissed PSPCL's contention vide its order dated March 22, 2022, ("**Order 1**") finding no concealment and holding that the company was only liable to pay the differential tariff without any penalty. Aggrieved by the Order 1, PSPCL filed an appeal in the Punjab and Haryana High Court on October 28, 2022 which was dismissed vide its order dated November 14, 2022 and subsequently PSPCL has filed letters patent appeal on February 15, 2023 in the Punjab and Haryana High Court. The matter is currently pending.

    * *Property situated at Focal Point, Phase-VIII, Ludhiana, Punjab was transferred to our Company vide sale deed dated October 8, 2024.*

13. Raj Singh, a workman of our Company ("**Employee**") raised an industrial dispute before the Labour Court, Uttar Pradesh, Ghaziabad ("**Labour Commissioner"**) via written statement ("**Written Statement**") dated January 1, 1993, against Majestic Auto Limited which was demerged into our Company ("**Defendant**") for wrongful termination of service and demanded reinstatement with back wages. The matter was referred to Labour Commissioner under Section 4 of Uttar Pradesh Industrial Dispute Act, 1947. The matter is currently pending.

14. Uttar Pradesh Pollution Control Board, Greater Noida, ("**UPPCB**") issued a notice dated June 12, 2025 under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") and Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") alleging that the Company is improperly disposing of water from a sump well using a motor pump and had failed to submit required compliance reports for their conditional consent under the Air Act and Water Act. Pursuant to this, our Company vide its letter dated July 2, 2025, replied to the notice and provided the requisite supporting documents to the UPPCB. Our Company has not received any further communication from UPPCB in this regard.

Material Civil Litigation

Nil

Litigation by our Company

Criminal Litigation

1. Our Company ("**Complainant**") filed a criminal complaint dated December 14, 2013 against Argentum Auto Private limited, Ravi Singh and. Eqbal Singh ("**Defendants**") before Additional Chief Judicial Magistrate, G.B. Nagar ("**Judicial Magistrate**") seeking an order to summon and punish the Defendants under section 406 and 420 of the Indian Penal Code, 1860 ("**IPC**"), for not releasing Complainant's tools such as intermediate gear, counter shaft and main shaft, which was sent to the premise of the Defendant along with a duly endorsed on returnable gate pass as per the service agreement dated January 1, 2011. The matter is still pending before the Judicial Magistrate.

Material Civil Litigation

Our Company ("**Plaintiff**") filed a suit dated September 29, 2020, ("**Suit**") before the Court of Civil Judge, G.B. Nagar, Noida, ("**Civil Court**") against Hero Motors Shramik Union ("**Defendant**") seeking permanent injunction against illegal and unauthorized acts such as stoppage of work and strike by the members of the Defendant, which is in breach of the agreement dated February 23, 2019 entered into by the Company with the Defendants. The Plaintiff has also filed an application dated September 29, 2020 before the Civil Court to grant temporary injunction during the pendency of the suit. The matter is still pending before the Civil Court.

Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

For details in relation to the criminal case instituted by Uttar Pradesh Pollution Control Board against our Promoter, Pankaj Munjal, please see "- *Litigation against our Company - Criminal Litigation*" on page 480.

Actions taken by Regulatory and Statutory Authorities

Municipal Corporation of Greater Mumbai ("**MCGM**") issued a show cause notice on January 10, 2020 to Fida Ali i.e. owner of the property situated at Block no. 23, Raghuvanshi Mill Compound, Lower Parel, Mumbai ("**Property**") and M/s. OMA i.e. occupier of the said Property, alleging unauthorised change of Property from cotton textile mill use to commercial use without obtaining permission from the competent authority, MCGM, contrary to Section 342 of the Mumbai Municipal Corporation Act 1888. Our Promoter, Charu Munjal was also a tenant of the said Property. The matter is currently pending.

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of this Red Herring Prospectus

There is no disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of this Red Herring Prospectus.

Material Civil Litigation

1. Vijay Kumar Munjal ("**Petitioner**") has filed a petition dated March 14, 2019 before Delhi High Court under section 34 of the Arbitration & Conciliation Act, 1996 against our Promoter, Pankaj Munjal ("**Defendant" and such petition, the "Petition")**. The Petitioner and the Defendant had entered into a family settlement agreement dated May 20, 2010, trademark and name agreement dated May 20, 2010 and business realignment agreement dated January 31, 2011 (the "**IP Agreements**") in relation to the manner of usage and assignment of "HERO" formative marks and the "H" Monogram ("**Trademarks**"). The Petitioner had alleged violation of terms of these agreement by the Defendant pursuant to garnering business in territories exclusive to the Petitioner using the Trademarks The matter was referred to arbitration. Thereafter, the arbitrator passed an award dated December 18, 2018 awarding a partial claim to the Defendant. The Petitioner, aggrieved by the award, filed this Petition. The matter is still pending.

2. Hero Ecotech Limited ("**Applicant**") has filed an application on January 31, 2026 ("**Application**"), against our Promoter, Pankaj Munjal, Hero Cycle Limited and others ("**Respondents**"), before the High Court of Judicature at Patna ("**High Court**") under section 37 of the Arbitration and Conciliation Act, 1996. The Respondents had instituted a title suit before the District Court, Patna ("**District Court**") against the Applicant and others, seeking a permanent injunction and other reliefs restraining the use of the "HERO" trademark in relation to bicycles and bicycle parts, in terms of the family settlement agreement and the trademark and name agreement executed between the parties (the "**Title Suit**"). Thereafter, the Applicant filed an application under Section 8 of the Arbitration and Conciliation Act, 1996 seeking reference of the matter to arbitration under these agreements. The District Court had rejected the said application. Aggrieved by this, the Applicant had filed a commercial appeal and thereafter, filed the Application before the High Court. The matter is currently pending.

Litigation by our Promoters

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

For details in relation to the criminal case instituted by Uttar Pradesh Pollution Control Board against our Directors, Pankaj Munjal and Pratibha Goyal, please see "*Litigation against our Company-Criminal Litigation*" on page 480.

Actions taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

For details in relation to arbitration matter instituted against our Chairman, Non-Executive and Non-Independent Director, Pankaj Munjal, please see "*Litigation against our Promoters- Material Civil Litigation*" on page 483.

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

Nil

Litigation by our Subsidiaries

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Key Managerial Personnel

Litigations against our Key Managerial Personnel

Criminal litigation

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Key Managerial Personnel.

Actions taken by regulatory and statutory authorities

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against our Key Managerial Personnel.

Litigations by our Key Managerial Personnel

Criminal Litigation

As on the date of this Red Herring Prospectus, there are no criminal proceedings initiated by our Key Managerial Personnel.

Litigation involving members of our Senior Management

***Litigations against members of our* Senior Management**

Criminal litigation

As on the date of this Red Herring Prospectus, there are no criminal proceedings against members of our Senior Management.

Actions taken by regulatory and statutory authorities

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against members of our Senior Management.

***Litigations by members of our* Senior Management**

Criminal Litigation

As on the date of this Red Herring Prospectus, there are no criminal proceedings initiated by members of our Senior Management.

Litigation involving our Group Companies

Except as disclosed under the section titled "-*Litigation against our Promoters – Material Civil Litigation*", our Group Companies are not a party to any pending litigations which will have a material impact on our Company.

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters, Directors and Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Our Company		
Direct Tax	1	1.63
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	NA	NA
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	NA	NA
Our Subsidiaries		
Direct Tax	1	0.01
Indirect Tax	Nil	Nil

* *To the extent quantifiable*

Material tax matters involving our Company

Nil

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5.00% of our total trade payables as of March 31, 2026, based on the Restated Consolidated Financial Information of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of March 31, 2026, was ₹ 1,403.46 million and accordingly, creditors to whom outstanding dues as of March 31, 2026, exceed ₹ 70.17 million have been considered as material creditors for the purposes of disclosure in this Red Herring Prospectus. Details of outstanding dues towards our material creditors are available on the website of our Company at https://www.heromotors.com/investorrelationship.

Based on the Materiality Policy, details of outstanding dues owed as of March 31, 2026, by our Company, on a consolidated basis are set out below:

Type of Creditor	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises^	427	276.49
Material Creditors	Nil	Nil
Other creditors	733	1,126.97
Total	1,160	1,403.46

^ *As defined under the Micro, Small and Medium Enterprises Development Act, 2006.*

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition – Significant Developments Subsequent to March 31, 2026*" on page 478 and as otherwise disclosed in this Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our Company and our Material Subsidiary, HEL have received the following material approvals, consents, licenses, permissions, and registrations from various governmental, statutory and/or regulatory authorities required to be obtained by our Company and our Material Subsidiary, HEL for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company and Material Subsidiary, HEL can undertake the Offer and its business activities, as applicable. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus, and in case of licenses and approvals which have expired in their normal course, we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" and "Risk Factors" on pages 293 and 21, respectively.*

Our Company is primarily involved in the business of designing, manufacturing and supplying highly engineered powertrain solutions catering to automotive OEMs. For details, see "*Our Business*" on page 253. The material approvals in relation to the business of our Company are provided below:

I. Material Approvals in relation to our Company

(1) *Incorporation Details*

a. Certificate of incorporation dated April 30, 1998, issued by the Registrar of Companies, Delhi and Haryana to our Company, in its former name, being Hero Briggs & Stratton Auto Private Limited.

b. Upon our Company becoming a public company, change in the name of our Company to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998 by endorsement on our certificate of incorporation by the Registrar of Companies, Delhi and Haryana.

c. Pursuant to the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956, conversion of our Company into a private limited company with effect from June 1, 2001 and change in the name of our Company to 'Hero Briggs & Stratton Auto Private Limited' by endorsement on our certificate of incorporation by the Registrar of Companies, Delhi and Haryana

d. Fresh certificate of incorporation dated April 10, 2003, issued by the Registrar of Companies Delhi and Haryana to our Company upon change of name from Hero Briggs & Stratton Auto Private Limited to Hero Auto Private Limited.

e. Fresh certificate of incorporation dated October 30, 2003, issued by the Registrar of Companies, Delhi and Haryana to our Company upon change of name from Hero Auto Private Limited to Hero Auto Limited, pursuant to conversion of our Company from a private to a public limited company.

f. Fresh certificate of incorporation dated September 15, 2004, issued by the Registrar of Companies, Delhi and Haryana to our Company upon change of name from Hero Auto Limited to Hero Motors Limited.

g. Our Company has been allotted the corporate identity number U29299PB1998PLC039602.

(2) *Material Approvals in relation to our business operations*

G.B Nagar Facility

The material approvals in relation to the manufacturing facility located at 10th KM Stone GT Road, PO Dujana, District Dadri, Gautam Budh Nagar, Uttar Pradesh, 203 207, India (the **G.B. Nagar Facility**) are set forth below:

a. Registration and license to work a factory under the Factories Act, 1948, and state specific rules made thereunder, issued by the Labour Department, Government of Uttar Pradesh.

b. Consent to establish under the Water (Prevention & Control of Pollution) Act, 1974, & the Air (Prevention & Control of Pollution) Act, 1981, issued by the Uttar Pradesh Pollution Control Board.

c. Consolidated consent to operate and authorisation under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, issued by the Uttar Pradesh Pollution Control Board.

d. Plastic waste registration under Plastic Waste Management Rules, 2016, as amended, issued by Uttar Pradesh Pollution Control Board.

e. License under Petroleum Rules, 2002 issued by Deputy Chief Controller of Explosive, Petroleum and Explosives Safety Organization, Ministry of Commerce & Industry.

f. Registration as manufacturers and packers under Legal Metrology (Packaged Commodities) Rules, 2011, issued by Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

g. No Objection Certificate for low hazard industrial occupancy under Uttar Pradesh Fire Prevention and Fire Safety Act, 2005, issued by Chief Fire Officer Department of Fire, Gautam Buddh Nagar.

h. Extended Producer Responsibility Certificate under Plastic Waste Management Rules, 2016 issued by Uttar Pradesh Pollution Control Board.*

i. Food Safety and Standards Authority of India License under FSS Act, 2006 by Department of Food Safety and Drug Administration, Government of Uttar Pradesh

**The aforementioned certificates are issued in the name of Hero Motors, a division of Hero Cycles Limited. Our Company has filed an application to obtain a fresh certificate of registration in the current name of the Company, pursuant to 2022 Scheme of Arrangement.*

Mangli Facility

The material approvals in relation to the manufacturing facility located at Focal Point, Phase-VIII, Chandigarh Road, Ludhiana, Punjab, 141 001, India (the "**Mangli Facility"**) are set forth below:

a. Registration and license to work a factory under the Factories Act, 1948, issued by the Labour Department, Government of Punjab.

b. Consent to operate under Air (Prevention and Control of Pollution) Act, 1981 issued by Punjab Pollution Control Board.

c. Consent to operate under Water (Prevention & Control of Pollution) Act, 1974 issued by Punjab Pollution Control Board.

d. License to import and store petroleum in the installation under Petroleum Act 1934, issued by Chief Controller of Explosive, Petroleum and Explosives Safety Organization.

e. Fire Safety certificate under National Building Code of India, 2016, issued by Directorate of Punjab Fire and Emergency Services.

f. Registration certificate for brand owner under Plastic Waste Management Rules, 2016, as amended, issued by Central Pollution Control Board, Ministry of Environment, Forest and Climate Change, GoI.

g. Certificates of verification under Punjab Legal Metrology (Enforcement) Rule, 2013 issued by office of Controller, Legal Metrology Department, Punjab.

h. Boiler certificate PI-4058 and PI-4826 issued by the Director of Boilers, Punjab

Spur Facility

The material approvals in relation to the manufacturing facility located at A01 A Village Dhanansu District, Ludhiana, Punjab, 141 112, India (the "**Spur Facility**") are set forth below:

a. Registration and license to work a factory under the Factories Act, 1948, issued by the Department of Labour, Government of Punjab

b. Fire Safety certificate under National Building Code of India, 2016, issued by Office of Nodal Officer, Punjab Bureau of Investment Promotion and renewed with the Punjab Fire and Emergency Service (Fire Station – Ludhiana).

c. Consent to establish under the Water (Prevention & Control of Pollution) Act, 1974, & the Air (Prevention & Control of Pollution) Act, 1981, issued by the Punjab Pollution Control Board.

d. Consent to operate under the Water (Prevention & Control of Pollution) Act, 1974, & the Air (Prevention & Control of Pollution) Act, 1981, issued by the Punjab Pollution Control Board

HYM Facility:

The material approvals in relation to the manufacturing facility located at Plot No.A01A, Village Dhanansu District, Samrala, Ludhiana, Punjab 141 112, India (the "**HYM Facility**") are set forth below:

a. Registration and license to work a factory under the Factories Act, 1948, issued by the Department of Labour, Government of Punjab

b. Consent to operate under Water (Prevention & Control of Pollution) Act, 1974 issued by Punjab Pollution Control Board.

c. Consent to operate under Air (Prevention and Control of Pollution) Act, 1981 issued by Punjab Pollution Control Board.

d. Fire Safety certificate under National Building Code of India, 2016, issued by Office of Nodal Officer, Punjab Bureau of Investment Promotion

Note: While the memorandum of understanding dated November 24, 2022 between HMC E-Valley and HYM specifies that all statutory permissions/approvals for setting up the HYM Facility under the Punjab Pollution Control Board have been obtained, the consent to establish obtained by HMC E-Valley is not traceable.

Hero EDU Facility

The material approvals in relation to the manufacturing facility located at 10th KM Stone GT Road PO, Dujana, District Dadri, Gautam Budh Nagar, Uttar Pradesh, 203 207, India (the **"Hero EDU Facility"**) are set forth below:

a. Registration and license to work a factory under the Factories Act, 1948, and state specific rules made thereunder, issued by the Labour Department, Government of Uttar Pradesh.

b. Consent to establish for new unit/expansion/ diversification under the Water (Prevention & Control of Pollution) Act, 1974, & the Air (Prevention & Control of Pollution) Act, 1981, issued by the Uttar Pradesh Pollution Control Board.

c. Certificate of registration for abstraction of ground water under the Uttar Pradesh Ground Water Management and Regulation Act, 2019, issued by Ground Water Department, Ministry of Jal Shakti, Government of Uttar Pradesh.

d. Consolidated consent to operate and authorisation under Air (Prevention & Control of Pollution) Act, 1981 and Water (Prevention & Control of Pollution) Act, 1974 issued by Uttar Pradesh Pollution Control Board

Thailand Facility

The material approvals in relation to the manufacturing facility located at 88/16 Moo. 4, Asia Industrial Estate (Suvarnabhumi), Tambol Klongsuan, Amphur Bang Bo, Samutprakarn, Thailand are set forth below:

a. Board of Investment certificate dated July 7, 2021 by virtue of the Investment Promotion Act B.E. 2520, issued by Board of Investment, Thailand to our Subsidiary, Hero Thai.

Maidenhead, United Kingdom Facility:

For the material approvals in relation to the manufacturing facility located at Waltham Road, White Waltham, Maidenhead, Berkshire, SL6 3LR, England, please see "*Material Approvals in relation to our Material Subsidiary, HEL"* on page 489.

For details of the risks relating to the material approvals required for undertaking our business, see "*Risk Factors – We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations*" on page 42.

(3) *Trade-related approvals*

a. Importer-Exporter Code (IEC) from the Office of Joint Directorate General of Foreign Trade, Ministry of Commerce, Government of India, i.e.0599007001.

(4) *Tax related registrations*

a. The permanent account registration number of our Company is AAACH8459F.

b. The goods and services tax registration number of our Company for Uttar Pradesh is 09AAACH8459F2ZB.

c. The goods and services tax identification number of our Company for Punjab is 03AAACH8459F1ZO.

d. The goods and services tax identification number of our Company for Uttarakhand is 05AAACH8459F1ZK.

e. The goods and services tax identification number of our Company for Gujarat is 24AAACH8459F1ZK

f. The professional tax registration number of our Company for the state of Punjab is E30AAACH8459F.

Except as disclosed in this Red Herring Prospectus, there have been no delays by the Company in payment of dues under Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, income tax or other statutory dues. For further details, see "*Risk Factors - We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.*" on page 42.

(5) *Material labour and employment related approvals*

a. Registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Office of the Labour Commissioner Department of Labour, Government of Uttar Pradesh for Ghaziabad facility.

b. Registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, and Payment of Gratuity Act, 1972.

II. Approvals in relation to the Offer

For details of the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 491.

III. Material Approvals in relation to our Material Subsidiary, HEL

Our Company has one Material Subsidiary, namely Hewland Engineering Limited. For details, see "*History and Certain Corporate Matters - Our Subsidiaries*" on page 306.

The material approvals in relation to the business of HEL are provided below:

a. Certificate of incorporation dated May 29, 1957 issued by Board of Trade, Government of U.K., to our Subsidiary, HEL in its former name, Electro Brush Plating Limited.

b. Certificate of incorporation, dated June 29, 1962 issued by Board of Trade, Government of U.K, upon change of name of our Subsidiary, HEL from Electro Brush Plating Limited to 'Hewland Engineering Limited'

IV. Material approvals applied for but not received

Except as disclosed below as on the date of this Red Herring Prospectus, there are no material approvals of our Company and our Material Subsidiary, HEL that have been applied for but not received:

S. No.	Approval	Issuing Authority	Facility	Date of Application
1.	Registration certificate under the Contract Labour (Regulation and Abolition) Act, 1970	Office of the Assistant Labour Commissioner at Ludhiana, Department of Labour, Government of Punjab	Mangli facility	December 26, 2025
2.	Registration under the Contract Labour (Regulation and Abolition) Act, 1970	Chief Executive Officer, Punjab Bureau of Investment Promotion	Spur Facility	August 23, 2026
3.	Extended Producer Responsibility Certificate	Uttar Pradesh Pollution Control Board	GB Nagar Facility	September 29, 2025

V. Material approvals expired and not applied for renewal

As on the date of this Red Herring Prospectus, there are no material approvals of our Company and our Material Subsidiary, HEL that have expired, and for which renewal is to be applied for.

VI. Material approvals required but not obtained or applied for

As on the date of this Red Herring Prospectus, there are no material approvals which our Company and our Material Subsidiary, HEL is required to obtain but are not obtained or applied for.

VII. Intellectual Property

Trademarks

As on the date of this Red Herring Prospectus, our Company has the following registered trademarks:

1. Our Company has obtained registration for six trademark registrations (device marks) for the logo under classes 7, 12 and 28 and under class 7 and 28.

2. Our Company has applied for trademark for the logo under classes 12,35,40 and 42 (device marks) and HERO MOTORS under classes 12, 35, 40 and 42 (word marks). Both applications have been objected to.

In addition to the above, there have been certain trademarks filed by the Company that have been opposed or objected or is under formality check. For more information, see "*Risk Factors - We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims*" on page 37.

As on the date of this Red Herring Prospectus, our Material Subsidiary, HEL, has three registered trademarks/wordmark for "HEWLAND", "FT200" and "FG400" under classes 12, 40 and 42 for each trademark.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on February 17, 2025 and August 28, 2026 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on March 12, 2025. Further, our Board has taken on record the consent of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to a resolution dated August 28, 2026. Our Board has approved this Red Herring Prospectus and the Abridged Prospectus pursuant to its resolution dated September 9, 2026.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its respective portion of Offered Shares, as follows:

Name of the Selling Shareholder	Maximum number/amount of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization letter	Date of consent letter
Promoter Selling Shareholder			
O P Munjal Holdings *	₹3,950.00 million	January 10, 2025	August 27, 2026
Promoter Group Selling Shareholder			
Hero Cycles Limited	₹50.00 million	March 7, 2025	August 27, 2026

* *Shares held by Pankaj Munjal on behalf of OP Munjal Holdings.*

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is eligible to be offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations, to the extent applicable as on the date of this Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated August 7, 2025.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, the Selling Shareholders, the persons in control of our Promoters, or our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters.

Our Company, Promoters, members of the Promoter Group and Directors have not been declared as a 'Fraudulent Borrower' in terms of the circular no. RBI/DBS/2016-17/28 dated July 1, 2016 issued by the Reserve Bank of India, and the SEBI ICDR Regulations.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

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.

Other confirmations

There are no findings or observations from any of the inspections by SEBI or any other regulatory body in relation to our Company which are material and need to be disclosed, or non-disclosure of which may have a bearing on the investment decisions of Bidders, except as disclosed in this Red Herring Prospectus.

There are no conflicts of interest between suppliers of raw materials and third-party service providers crucial for the operations of our Company, and Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries or the Group Companies and its directors.

Except as disclosed below, there are no conflicts of interest between lessors of immovable properties crucial for the operations of our Company, and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries or the Group Companies and its directors.

HMC E-Valley Private Limited, a member of our Promoter Group and Group Company, is a lessor of immovable properties to our Company/Subsidiaries. Pankaj Munjal, Abhishek Munjal, Ashok Kumar Taneja, Kulbir Singh and Amit Gupta are directors in HMC E-Valley Private Limited.

There have been no inspections of our Company by SEBI or any other regulatory authority governing the operations of the Company.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in relation to our Company, as on the date of this Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business. Further, no outstanding action has been initiated against any of our Directors by SEBI in the five years preceding 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 as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information, as indicated below:

a. Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each) (i.e. Financial Years ended March 31, 2024, March 31, 2025 and March 31, 2026), of which not more than 50% are held in monetary assets;

b. Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

c. Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

d. Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Red Herring Prospectus as at and for the last three Financial Years ended March 31, 2024, March 31, 2025 and March 31, 2026, are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Financial Year 2026	Financial Year 2025	Financial Year 2024
Net tangible assets, as restated[1]	4,179.43	3,808.13	3,482.85
Monetary assets, as restated[2]	447.02	499.19	949.37
Monetary assets, as a percentage of net tangible assets, as restated (in %)[3]	10.70%	13.11%	27.26%
Pre-tax operating profit, as restated[4]	1,321.92	977.00	767.58
Average Pre-tax operating profit, as restated	1,022.17		
Net worth, as restated[5]	4,824.48	4,239.52	3,854.44

Notes:

1. *Net tangible assets means the sum of all net assets of our Company and its Subsidiaries (together, the "**Group**") excluding intangible assets, goodwill, deferred tax assets, right of use assets and intangible assets under development, lease liabilities and deferred tax liabilities of the Group.*
2. *Monetary assets means cash on hand, balances with banks and current quoted investments; and excludes earmarked balances with banks which are not readily available for utilisation by the Group.*
3. *Monetary assets as restated as a percentage of the net tangible assets means monetary assets as restated divided by net tangible assets, as restated, expressed as a percentage.*
4. *Restated pre-tax operating profit means restated profit before tax excluding other income and finance costs.*
5. *Net worth means value of the paid-up share capital and all reserves created out of the profits, securities premium account, compulsory convertible cumulative preference shares, share application money pending allotment, demerger adjustment deficit account, shares options outstanding and debit or credit balance of profit and loss account as per the audited balance sheet, but does not include foreign currency translation reserve, capital reserve.*

The average pre-tax operating profit, as restated and consolidated for the last three Financial Years is ₹ 1,022.17 million.

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:

(i) Our Company, Promoters, members of our Promoter Group, Directors and the Selling Shareholders are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower;

(iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender;

(v) Except employee stock options granted pursuant to ESOP 2022, there are no outstanding warrants, or stock appreciation rights scheme, options or rights to convert debentures, loans or other instruments into, or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of this Red Herring Prospectus;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated May 14, 2024 and May 13, 2024 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.

(vii) All the Equity Shares of our Company held by our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, Senior Management, employees, QIBs, and entities regulated by the financial sector regulators (as defined under the SEBI ICDR Regulations), to the extent applicable, are in dematerialised form;

(viii) 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;

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(I) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance;

(x) Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated August 7, 2025; and

(xi) Our Company has appointed BSE as the Designated Stock Exchange

Our Company will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations and other applicable law. In an event, our Company fails to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law. Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulations 5 and 7(1), to the extent applicable, of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

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 MANAGERS, BEING ICICI SECURITIES LIMITED, DAM CAPITAL ADVISORS LIMITED AND JM FINANCIAL LIMITED, 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 AND THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THEIR RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS AND THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS AND THIS RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer have been 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, 2013 and 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, 2013.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, the Selling Shareholders, our Directors and the Book Running Lead Managers 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 Company's instance and anyone placing reliance on any other source of information, including our Company's website www.heromotors.com, or the respective websites of any affiliate of our Company would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and their respective portion of Offered shares) and the Book Running Lead Managers 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the 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 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 Book Running Lead Managers and their respective associates (as defined in the SEBI Merchant Bankers Regulations) and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholders, their respective group companies affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

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, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250.00 million (subject to applicable law) and pension funds with minimum corpus of ₹250.00 million registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including Eligible FPIs, Eligible NRIs, AIFs and other eligible foreign investors that are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Delhi only.

The Draft Red Herring Prospectus did not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer are bring 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.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is set forth below:

"BSE Limited ("the Exchange") has given vide its letter dated August 7, 2025, 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 for 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 documents; 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 was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is set forth below:

"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/5645 dated August 07, 2025, 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 offered 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. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian law, Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, Independent Chartered Accountant, Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks, Monitoring Agency, to act in their respective capacities, have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Our Company has received written consent dated September 9, 2026 from our statutory auditor Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under the 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 Auditor and in respect of their (i) examination report, dated August 29, 2026 on our Restated Financial Statements, and (ii) their report dated September 9, 2026 on the Statement of Special Tax Benefits in this Red Herring Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 9, 2026, from The Corporate Practice Limited, to include their name as required under the SEBI ICDR Regulations in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, in respect of Statement of Special Tax Benefits available to HEL, our Material Subsidiary under direct and indirect tax laws of the United Kingdom in this RHP and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 29, 2026, from Ramesh C Agrawal & Co Chartered Accountants, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received written consent dated August 25, 2026 from Devinder Sheel Jain, on behalf of Deba Engineers & Consultants, Chartered Engineers and Approved Valuers, an independent chartered engineer to include their name as required under the 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 an independent chartered engineer in relation to the certificate dated August 28, 2026, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Our Company has received written consent dated September 9, 2026 from Neelam Gupta, practicing company secretary, to include their name in this Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them in their capacity as an independent practicing company secretary to our Company.

Such consents have not been withdrawn as on the date of this Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Red Herring Prospectus.

Further, our Company has not undertaken any public issue in the last five years preceding the date of this Red Herring Prospectus.

Capital issue during the preceding three years by our Company, listed group companies/ subsidiaries/ associates

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure - Share capital history of our Company*" on page 85 and as applicable, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

Our Company does not have any associates. None of our Subsidiaries are listed on any stock exchange. Further our Group Companies are not listed on any stock exchange.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of 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 the Equity Shares in the last five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company during the last five years

Our Company has not undertaken any public issue or rights issue (as defined in 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/ listed promoter of our Company

As on the date of this Red Herring Prospectus, none of our Subsidiaries are listed on any stock exchange. Further, our Promoter, O P Munjal Holdings is a partnership firm and not a company.

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Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

I-Sec

The price information of past issues of past issues (during current financial year and two financial years preceding the current financial year handled by ICICI Securities is as follows:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	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	Omnitech Engineering Limited^^	5,830.00	227.00(1)	March 05, 2026	202.00	+22.71% [-8.29%]	+122.09% [-5.18%]	+138.11% [-2.77%]
2	Sedemac Mechatronics Limited^^	10,873.50	1,352.00(2)	March 11, 2026	1,535.00	+ 21.13% [-0.38%]	+75.05% [-3.12%]	+108.17% [+0.13%]
3	Powerica Limited^^	11,000.00	395.00(3)	April 02, 2026	366.00	+24.01% [+5.66%]	+56.14% [+5.07%]	NA*
4	CMR Green Technologies Limited^	6,306.21	192.00(4)	June 10, 2026	275.40	+16.98% [+3.73%]	+15.31% [+2.91%]	NA*
5	Turtlemint Fintech Solutions Limited^^	8,826.70	152.00	June 29, 2026	134.90	-19.84% [+0.16%]	NA*	NA*
6	Laser Power & Infra Limited^^	7,420.00	214.00	July 16, 2026	250.00	+41.54% [+1.22%]	NA*	NA*
7	SBI Funds Management Limited^^	97,953.21	574.00(5)	July 21, 2026	613.30	-3.49% [-0.45%]	NA*	NA*
8	INDO-MIM Limited^^	38,121.15	485.00(6)	July 30, 2026	700.00	78.89% [-0.58%]	NA*	NA*
9	Juniper Green Energy Limited^^	18,000.00	225.00(7)	August 06, 2026	245.00	+17.82% [-3.00%]	NA*	NA*
10	Tempsens Instruments (India) Limited^^	6,500.00	300.00	August 28, 2026	634.00	NA*	NA*	NA*

* *Data not available*
^ *BSE as designated stock exchange*
^^ *NSE as designated stock exchange*

(1) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on issue price 227.00 per equity share
(2) Discount of Rs. 128 per equity share offered to eligible employees. All calculations are based on issue price 1,352.00 per equity share
(3) Discount of Rs. 37 per equity share offered to eligible employees. All calculations are based on issue price 395.00 per equity share
(4) Discount of Rs. 18 per equity share offered to eligible employees. All calculations are based on issue price 192.00 per equity share
(5) Discount of Rs. 54 per equity share offered to eligible employees. All calculations are based on issue price 574.00 per equity share
(6) Discount of Rs. 45 per equity share offered to eligible employees. All calculations are based on issue price of 485.00 per equity share
(7) Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on issue price of 225.00 per equity share

Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%

2026-27*	8	1,94,127.27	-	-	2	1	1	3	-	-	-	-	-	-
2025-26	22	5,70,175.06	-	-	11	3	2	6	-	3	5	8	1	5
2024-25	23	6,47,643.15	-	-	5	4	8	6	-	3	5	6	4	5

* *This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

DAM Capital

Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited

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.	ESDS Software Solution Limited(1)	7,200.00	429.00	September 4, 2026	757.00	Not Applicable	Not Applicable	Not Applicable
2.	Caliber Mining and Logistics Limited(1)	4,500.00	424.00	July 24, 2026	500.25	+24.92%,[+2.04%]	Not Applicable	Not Applicable
3.	Park Medi World Limited(1)	9,200.00	162.00	December 17, 2025	158.80	-7.61%,[-0.59%]	+14.29%,[-9.33%]	+69.51%,[-8.50%]
4.	Midwest Limited(1)	4,510.00	1,065.00@@	October 24, 2025	1,165.00	+13.67%,[+1.06%]	+25.26%,[-2.47%]	+25.07%,[-4.72%]
5.	TruAlt Bioenergy Limited(2)	8,392.80	496.00	October 3, 2025	550.00	-9.79%,[+3.36%]	-18.50%,[+4.94%]	-19.12%,[-11.40%]
6.	Jain Resource Recycling Limited(1)	12,500.00	232.00	October 1, 2025	265.05	+71.37%,[+4.19%]	+69.48%,[+4.45%]	+99.98%,[-8.12%]
7.	Anand Rathi Share and Stock Brokers Limited(1)	7,450.00	414.00^^	September 30, 2025	432.00	+24.03%,[+5.86%]	+52.00%,[+5.82%]	+5.98%,[-7.28%]
8.	Ganesh Consumer Products Limited(2)	4,087.98	322.00$$	September 29, 2025	295.00	-12.05%,[+5.30%]	-32.14%,[+5.82%]	-48.37%,[-8.44%]
9.	Saatvik Green Energy Limited(2)	9,000.00	465.00##	September 26, 2025	460.00	+9.26%,[+4.71%]	-17.84%, [+6.19%]	-20.72%,[-7.91%]
10.	Euro Pratik Sales Limited(1)	4,513.15	247.00&&	September 23, 2025	272.10	+4.35%,[+2.78%]	+20.26%,[+3.17%]	-13.10%,[-8.16%]

Source: www.nseindia.com and www.bseindia.com

&& *A discount of ₹ 13 per equity share was provided to eligible employees bidding in the employee reservation portion.*

A discount of ₹ 44 per equity share was provided to eligible employees bidding in the employee reservation portion.

$$ *A discount of ₹ 30 per equity share was provided to eligible employees bidding in the employee reservation portion.*

^^ *A discount of ₹ 25 per equity share was provided to eligible employees bidding in the employee reservation portion.*

@@ *A discount of ₹ 101 per equity share was provided to eligible employees bidding in the employee reservation portion*

(1) NSE was the designated stock exchange for the said issue.

(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable

(b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable

(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.

(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.

(e) The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable

(f) Not Applicable – Period not completed

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited.

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount - as on 30th calendar days from listing date			Nos. of IPOs trading at premium - as on 30th calendar days from listing date			Nos. of IPOs trading at discount - as on 180th calendar days from listing date			Nos. of IPOs trading at premium - as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2026-27	2	11,700.00	-	-	-	-	-	1	-	-	-	-	-	-
2025-26	11	106,159.96	-	-	4	1	-	6	-	1	6	2	1	1
2024-25	5	80,371.02	-	-	-	2	1	2	-	-	2	2	1	-

Source: www.nseindia.com and www.bseindia.com

Notes:

a. The information is as on the date of this offer document

b. The information for each of the financial years is based on issues listed during such financial year.

c. Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.

3. JM Financial

Price information of past issues handled by JM Financial:

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Lumino Industries Limited *	7,000.00	82.00	September 3, 2026	110.00	Not Applicable	Not Applicable	Not Applicable
2.	Symbiotec Pharmalab Ltd #11	17,570.00	988.00	September 1, 2026	978.20	Not Applicable	Not Applicable	Not Applicable
3.	Augmont Enterprises Limited *	8,250.00	788.00	August 31, 2026	961.00	Not Applicable	Not Applicable	Not Applicable
4.	Tempsens Instruments (India) Limited*	6,500.00	300.00	August 28, 2026	634.00	Not Applicable	Not Applicable	Not Applicable
5.	Gaja Alternative Asset Management Limited*	5,500.00	160.00	August 26, 2026	185.00	Not Applicable	Not Applicable	Not Applicable
6.	Horizon Industrial Parks Limited*10	26,000.00	60.00	August 24, 2026	60.25	Not Applicable	Not Applicable	Not Applicable
7.	Shiprocket Limited*8	16,174.85	97.00	August 19, 2026	131.00	Not Applicable	Not Applicable	Not Applicable
8.	Milky Mist Dairy Food Limited*7	15,530.00	140.00	August 18, 2026	165.00	Not Applicable	Not Applicable	Not Applicable
9.	Leap India Limited*	24,800.00	159.00	August 14, 2026	165.90	Not Applicable	Not Applicable	Not Applicable
10.	Juniper Green Energy Limited *9	18,000.00	225.00	August 6, 2026	245.00	17.82% [-3.00%]	Not Applicable	Not Applicable

Source: www.nseindia.com and www.bseindia.com

 # BSE as designated stock exchange

** NSE as designated stock exchange*

Notes:

1. Opening price information as disclosed on the website of the designated stock exchange.

2. Change in closing price over the issue/offer price as disclosed on designated stock exchange.

3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 13 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
8. *A discount of Rs. 9 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
9. *A discount of Rs. 21 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
10. *A discount of Rs. 5 per Equity Share was offered to eligible employees bidding in the employee reservation portion*
11. *A discount of Rs. 90 per Equity Share was offered to eligible employees bidding in the employee reservation portion*

Summary statement of price information of past issues handled by JM Financial Limited:

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50 %	Between 25% - 50%	Less than 25 %	Over 50 %	Between 25%-50%	Less than 25 %	Over 50 %	Between 25%-50%	Less than 25 %	Over 50 %	Between 25%-50%	Less than 25 %
2026-2027	12	2,61,363.96	-	-	2	1	-	1	-	-	-	-	-	-
2025-2026	27	6,75,324.16	1	1	10	-	6	9	-	4	8	6	3	6
2024-2025	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	2

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	DAM Capital Advisors Limited	www.damcapital.in
3.	JM Financial Limited	www.jmfl.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 the 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 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 to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All Offer related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary 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.

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

In case of any delay in unblocking of amounts in the ASBA Accounts 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 intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, the Bidder shall be compensated in

the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

In terms of SEBI ICDR Master Circular, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and amended by the SEBI circular bearing number 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 interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with thein terms of SEBI ICDR Master Circular and the SEBI RTA Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the post-Offer BRLM shall also compensate the investors at the rate higher of ₹100 or 15% p.a. of the Bid Amount for the period of such delay. Further, in terms of the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholders and the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see "*General Information – Book Running Lead Managers*" on page 76.

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 grievances relating to Bids submitted with 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 and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders 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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Each of the Selling Shareholders, specifically, severally and not jointly, has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. Our Company has also appointed Sakshi Dureja, Company Secretary of our Company, as the Compliance Officer for the Offer. For further details, see "*General Information*" on page 75.

Our Company has constituted a Stakeholders' Relationship Committee comprising Pratibha Goyal as its Chairperson, and Abhishek Munjal, Amit Gupta, Ashok Kumar Taneja and Keshav Misra as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 329.

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Except as disclosed in (a) *"Risk Factor- Our Company has availed exemption from SEBI in respect of the requirement of complying with statutory lock-in under SEBI ICDR Regulations in respect of certain Equity Shares, which requires us to comply with certain conditions including submissions/undertakings provided by our Company. Any failure by our Company to comply with these conditions may lead to non-compliance with the exemption granted by SEBI."* and (b) *"Risk Factor- We have received queries/ requests from certain erstwhile shareholders holding physical share certificates, in relation to entitlement to shares and dividend, conversion of their physical share certificates into dematerialised form and the status of shares held in physical form. We may continue receiving such requests in the future",* our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Red Herring Prospectus.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus

Our Company does not have any listed group companies or listed subsidiaries.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company had filed an exemption application dated December 18, 2024, seeking exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations, from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to the imposition of the statutory lock-in on the 95 Equity Shares held by 12 public shareholders, due to their demat accounts being inactive or due to statutory freezing of such accounts. These 95 Equity Shares which were to be transferred to HCL pursuant to the 2022 Scheme of Arrangement could not be transferred due to such shareholders' demat accounts either being inactive or due to statutory freezing of such accounts. Pursuant to this, SEBI vide its letter dated May 2, 2025, granted the aforesaid exemption to our Company. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 561. Further, in this regard, in case these shares are liquidated by the regulatory authority till the time of Allotment of Equity Shares pursuant to the Offer, our Company will undertake adequate measures to ensure imposition of statutory lock-in on such shares, in accordance with Regulation 17 of the SEBI ICDR Regulations.

For more information in relation to the 2022 Scheme of Arrangement, please see '*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*' on page 305.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted and transferred 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, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale 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 RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses, see "*Objects of the Offer*" on page 114.

Ranking of Equity Shares

The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our MoA and AoA, and shall rank *pari passu* with the existing Equity Shares in all respects including dividends. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 534.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government 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 or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 346 and 534, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the Book Running Lead Managers and shall be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana edition of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading 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 websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares, unless otherwise permitted by law. There are no outstanding equity shares of the Company having superior voting rights compared to 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 our Articles of Association, our 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 or 'e-voting', 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 their 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 and our Articles of Association.

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, consolidation or sub-division, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 534.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form (i.e. not in the form of physical certificates and be represented by the statement issued through the electronic mode). 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, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated May 13, 2024 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated May 14, 2024, between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 513.

Jurisdiction

The courts of Delhi, India will have exclusive jurisdiction in relation to the Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Period of operation of subscription list

See "– *Bid/ Offer Programme*" on page 506.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our 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 dematerialised 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 their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, in consultation with the Book Running Lead Managers reserves the right not to proceed with the Fresh Issue, and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective Offered Shares, 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 and price band 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 Book Running Lead Managers, 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 and the Bankers to the Offer 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 the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum 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 intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

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 (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Book Running Lead Managers withdraw 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.

Bid/ Offer Programme

BID/ OFFER OPENS ON	Wednesday, September 16, 2026
BID/ OFFER CLOSES ON	Friday, September 18, 2026 [(1)]

(1) UPI mandate end time and date shall be at 5:00 pm on Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, September 21, 2026
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Tuesday, September 22, 2026
Credit of Equity Shares to depository accounts of Allottees	On or about Tuesday, September 22, 2026
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, September 23, 2026

* *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 BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable, issued by SEBI, and any other applicable law in case of*

delays in resolving investor grievances in relation to blocking/unblocking of funds. 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 in accordance with SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI in this regard.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the Book Running Lead Managers, revision of the Price Band or delay in receipt of final certificates from SCSBs, etc resulting in 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 laws.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the Offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date*	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate Non-retail, Non-individual applications of QIBs and Non-Institutional Investors)	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 ₹500,000)	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 RIBs[*]	Only between 10.00 a.m. and up to 5.00 p.m. IST

[*] *UPI mandate end time 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 the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from the RIBs, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the registrar and share transfer agents on a daily basis, as per the format prescribed in the SEBI ICDR Master Circular.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids 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 may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and in any case no later than 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 the Offer. Bids and any revision in 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. None of our Company, each of the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical 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.

Our Company, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI Master Circular and SEBI RTA Master Circular. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. It is clarified that each of the Selling Shareholders shall, severally and not jointly, be liable to refund money raised in the Offer together with any interest for delays in making refunds as per applicable law, only to the extent of its respective portion of Offered Shares. Notwithstanding the foregoing, no liability to make any payment of interest shall accrue on any Selling Shareholder and such interest shall be borne by our Company unless any delay of the payments to be made hereunder, or any delay in obtaining listing and/or trading approvals or any approvals in relation to the Offer is solely and directly attributable to an act or omission of such Selling Shareholder.

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the following order: (i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon achieving (i) above, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being

offered by each Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion.

In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, our Company shall within the time prescribed under applicable law, refund the entire subscription amount received. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, interest at the rate of 15% per annum of the application amount shall be paid by our Company and each of our Directors, in accordance with the SEBI ICDR Master Circular.

Undersubscription, 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 Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through the Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer equity share capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 84, and except as provided in our Articles of Association, there are no restrictions on transfer or transmission of Equity Shares and their consolidation or sub-division. For further details see "*Description of Equity Shares and Terms of the Articles of Association*" on page 534.

Allotment of Equity Shares only in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 each at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹10,000.00 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹6,000.00 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 4,000.00 million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up equity share capital of our Company.

The Offer is being made through the Book Building Process, in accordance with Rule 19(2)(b) and in compliance with Regulations 6(1) and 32(1) of the SEBI ICDR Regulations.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Not more than [●] Equity Shares of face value ₹ 10 each	Not less than [●] Equity Shares of face value ₹ 10 each available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares of face value ₹ 10 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 Allotted to QIBs. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis 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 QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs will be available for allocation subject to the following: Further, one-third of the Non-Institutional Portion will be made available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹1.00 million and under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price	Not less than 35% of the Offer 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) [●] Equity Shares of face value ₹ 10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares of face value ₹ 10 each shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹10 each of face value of ₹ 10 each) may be allocated on a discretionary basis to Anchor Investors. 40% of the Anchor Investor Portion will be reserved for allocation in the following manner: (i) 33.33% to domestic Mutual Funds, and (ii) 6.67% to Life Insurance Companies and Pension Funds. In the event of an under-subscription in the portion reserved for Life Insurance Companies and pension funds, the allocation shall be made to domestic Mutual Funds, subject to valid Bids being received at or above the	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million upto ₹1.00 million; and (b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment to each Non-Institutional Bidder shall not be less than the Minimum Non-Institutional Bidder Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with SEBI ICDR Regulations	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 513.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	Anchor Investor Allocation Price, in accordance with the SEBI		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares of face value ₹ 10 each so that the Bid Amount exceeds ₹ 0.20 million	For Non-Institutional Investors applying under one-third of the Non- Institutional Portion (with application size of more than ₹0.20 million and up to ₹1.00 million) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each, such that the Bid Amount exceeds ₹0.20 million. For Non-Institutional Investors applying under two-thirds of the Non- Institutional Portion (with application size of more than ₹1.00 million) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each, such that the Bid Amount exceeds ₹1.00 million.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹ 10 each so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹ 10 each so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹ 10 each so that the Bid Amount does not exceed ₹ 0.20 million
Who can apply[3]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DDII dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs in accordance with applicable laws.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices 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)
Mode of Bidding	Only through ASBA process except for Anchor Investors (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares of face value ₹ 10 each and in multiples of [●] Equity Shares of face value ₹ 10 each thereafter		
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of one Equity Share thereafter for QIBs and RIBs. The Allotment to NIBs shall not be less than the minimum non-institutional application size (i.e., ₹ 200,000).		

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Trading Lot	One Equity Share		
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**: **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form^		

* *Assuming full subscription in the Offer.*

^ *SEBI vide its SEBI ICDR Master Circular, 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 Exchange shall, for all categories of investors viz. Retail, 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.*

(1) *Subject to valid Bids being received at or above the Offer Price. Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations, subject to there being (i) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) 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 15 Anchor Investors for every additional ₹2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100.00 million. 40% of the Anchor Investor Portion will be reserved for allocation in the following manner: (i) 33.33% to domestic Mutual Funds, and (ii) 6.67% to Life Insurance Companies and Pension Funds. In the event of an under-subscription in the portion reserved for Life Insurance Companies and Pension Funds, the allocation shall be made to domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than the Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than the Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" beginning on page 513. Further, not less than 15% of the Offer shall be available for allocation to NIBs and not less than 35% of the Offer shall be available for allocation to RIBs 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 NIBs under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs shall be reserved for Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and (ii) two-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of NIBs. 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.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *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 price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchange and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form is required to 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 is required in the Bid cum Application Form and such First Bidder shall be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs* on page 519 and having same PAN will 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) will be proportionately distributed.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" beginning on page 504.

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

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read the General Information Document for investing in public offers prepared and issued in accordance with SEBI's circular bearing reference 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 the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchange and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The Bidders 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/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/5 dated May 24, 2024 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations) ("**AV Circular**") has introduced the disclosure of audiovisual presentation of disclosures made in Offer Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by finfluencers.*

*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 (read with SEBI ICDR Master Circular), 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 RIBs 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 RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the then prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. 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 introduced certain additional measure for streamlining process for initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to the extent relevant for RTAs, and rescinded these circulars. Further, 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 and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular came into force for initial public offers which opened on/or after May 1, 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The SEBI ICDR Master Circular has consolidated and rescinded the aforementioned circulars, to the extent they relate to the SEBI ICDR Regulations, and also prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of the SEBI ICDR Master Circular are deemed to form part of this Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of the 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 BRLMs shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum 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 intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. 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 the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of this Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/Offer Opening Date.

Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which 40% shall be reserved for allocation in the following manner: (i) 33.33% of the Anchor Investor Portion shall be reserved for domestic Mutual Funds; and (ii) 6.67% of the Anchor Investor Portion shall be reserved for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds, as applicable, at or above the Anchor Investor Allocation Price. Any under-subscription in the Life Insurance Companies and Pension Funds category specified in (ii) above may be allocated to domestic Mutual Funds. 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, subject to availability of Equity Shares in the respective categories, 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 Non-Institutional Bidders with Bid size exceeding ₹ 0.20 million and up to ₹ 1.00 million; and (b) two-third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. 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 dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated 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 dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through

Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days 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 the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued 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. 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 until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, *vide* SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (read with the SEBI ICDR Master Circular) ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana edition of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in a format as prescribed by SEBI, from time to time, including in compliance with the SEBI RTA Master Circular and the SEBI ICDR Master Circular, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) 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.

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-yndicate 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.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchange and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchange platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portals for intermediaries (closed user group) from the date of Bid/Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI ICDR Master Circular, in compliance with circulars prescribed by SEBI and applicable law.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 ("**UPI Streamlining Circular**"), 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 Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

UPI Bidders bidding using the UPI Mechanism must provide the 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.

ASBA Bidders (including UPI Bidders using UPI Mechanism, as applicable) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to the SEBI ICDR Master Circular. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, 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, pursuant to SEBI ICDR Master Circular.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

a. RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c. QIBs and NIIs (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

d. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;

e. The Stock Exchanges shall display 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(s).

f. The Sponsor Bank(s) 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.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis(1)	White
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis(1)	Blue
Anchor Investors(2)	White

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

In case of ASBA forms, the relevant 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 and the Stock Exchanges 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. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, 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 BSE Circular No: 20220803-40 and NSE Circular No. 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks 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 through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) 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 bankers to an offer.

The Sponsor Banks and Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI in accordance the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a) The mandate acceptance time shall expire at 5:00 PM on the closing day of the initial public offer.

b) BSE shall display bid details of only the successfully ASBA blocked applications i.e. Application with UPI status as RC-100 – (Block Request Accepted by Client – Payment Successful).

c) The dedicated window provided for bid modification (modification of selected fields viz. DP ID/Client ID or Pan ID, Bank code and Location code, in the bid details already uploaded) on T+1 day (T being last day of bidding) shall cease to exist. The bid modification/ updation shall be allowed in parallel to the regular bidding period of initial public offer and shall close at 5:00 PM on the closing day of the initial public offer.

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, subject to applicable laws.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until 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 are given until 5:00 pm IST for Retail Individual Bidders, and 4:00 pm for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

d. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers;

(iv) FPIs other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers; or

(v) pension funds sponsored by entities which are associates of the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except to the extent of participation in the Offer for Sale. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. A qualified institutional buyer 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 Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group 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 Book Running Lead Managers" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Managers.

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 Managers reserve 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 fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs 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). Only Bids accompanies by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should 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 compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 532.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules.

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

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis 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.

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 and the Selling Shareholders, in consultation with the Book Running Lead Managers, 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).

As specified in 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 in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD/AFD-PoD-2/CIR/2024/70 dated May 30, 2024 ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation 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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on 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 21(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 NDI Rules.

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 on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

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 and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve 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 Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA NDI Rules VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules. Further, AIFs are required to comply with the SEBI Master Circular for Alternative Investment Funds dated June 3, 2026.

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.

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 Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum

Application Form, failing which our Company, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 ("**RBI Master Directions**"), as amended, is 10% of the banking company's own paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.

Further, the aggregate investment by a banking company, including group entities and overseas investments, cannot exceed 20% of such banking company's paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower. The calculation of the aggregate equity investment limit shall be in accordance with the RBI Master Directions.

A banking company would be allowed to invest 20% or more in an investee company but not exceeding 30% (except as subsidiary) only in the following circumstances: (i) the investee is engaged in non-financial business permissible for banks under the Banking Regulation Act, 1949, as amended, subject to prior approval of the RBI; or (ii) acquisition arises through restructuring of debt or for protection of the bank's interest in loans or investments, where prior approval of the RBI shall not be required, provided that the banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of SEBI ICDR Master Circular. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, 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 (Actuarial Finance and Investment Functions of Insurers) Regulations, 2024, as amended ("IRDAI Investment Regulations"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250.00 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 Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies 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 Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserve 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 Systemically 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.

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

3. 40% shall be reserved for domestic Mutual Funds, in the following manner (i) 33.33% of the Anchor Investor Portion shall be reserved for domestic Mutual Funds; and (ii) 6.67% of the Anchor Investor Portion shall be reserved for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.

4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

5. Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the number of Allottees in the Anchor Investor Portion will be: (a) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is up to ₹ 2,500.00 million subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor; and (b) 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 15 Anchor Investors for every ₹ 2,500.00 million, subject to minimum Allotment of ₹ 50.00 million per Anchor Investor.

6. 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 Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. 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 Allocation 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 Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associates of the Book Running Lead Managers) or pension fund sponsored by entities which are associate of the Book Running Lead Managersor pension fund sponsored by entities which are associate of the Book Running Lead Managers nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Red Herring Prospectus or as will be specified in the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft 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

QIB Bidders and Non-Institutional Bidders are not allowed 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;

2. 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. 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 in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are an 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. 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;

7. 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 GID;

8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders Bidding using the UPI Mechanism);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. The ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

15. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

16. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the 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 a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, 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;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. 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;

22. 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;

23. 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;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, 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, PAN and UPI ID, if applicable, available in the Depository database;

27. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. of the Bid/ Offer Closing Date;

29. Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Managers;

30. 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;

31. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-institutional category for allocation in the Offer;

32. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

33. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) 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 www.sebi.gov.in).

34. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs 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.

35. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. 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 a Bidder;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. 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;

15. 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;

16. 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);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date; for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications).

22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, 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;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder using the UPI Mechanism).

30. Do not Bid for a Bid Amount exceeding ₹ 0.20 million (for Bids by Retail Individual Bidders);

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism; and

32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

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 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 is liable to be rejected.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out our Company Secretary and Compliance Officer. For further details of our Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 75 and 315, respectively.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular, see "*General Information - Book Running Lead Managers*" on page 76.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account or UPI ID (for UPI Bidders using the UPI Mechanism) 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 App 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 from the Sponsor Banks;

6. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

7. 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;

8. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

9. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

10. Bids submitted without the signature of the First Bidder or sole Bidder;

11. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

12. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI ICDR Master Circular;

13. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹0.20 million;

14. GIR number furnished instead of PAN;

15. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals; and

16. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash.

17. Bids by QIBs uploaded after 4.00 pm 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 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 BRLMs to the Stock Exchanges.

Further, Bidders shall be entitled to compensation in the manner specified in SEBI ICDR Master Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through this Red Herring Prospectus and the 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 may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the RIBs, 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 Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, 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 allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available 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 Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "HERO MOTORS LIMITED ANCHOR R ACCOUNT"

(b) In case of non-resident Anchor Investors: "HERO MOTORS LIMITED ANCHOR NR ACCOUNT"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer and Price Band 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 and price band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana edition of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation.

In the pre-Offer and price band 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

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchange, provided such final listing and trading approval from the Stock Exchange is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchange is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from the Stock Exchange.

Our Company, the Book Running Lead Managers 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 daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Ludhiana edition of Daily Suraj, a Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, a 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, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Bidders 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 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

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). For more information, see "*Terms of the Offer*" beginning on page 504.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- 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 within three Working Days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within three Working Days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
- except for Equity Shares that may be allotted pursuant to exercise of options granted under the ESOP Schemes and the Equity Shares allotted pursuant to the Fresh Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc;

- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received

Undertakings by the Selling Shareholders

Each of the Selling Shareholders specifically undertakes and confirms, as applicable, severally and not jointly, in relation to itself and its Offered Shares that:

- the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- is the legal and beneficial holder of and has clear legal, valid and marketable title to its respective portion of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free and clear of any encumbrance;

- its respective portion of the Offered Shares shall be transferred to an escrow demat account in dematerialized form prior to the filing of this Red Herring Prospectus with the RoC in accordance with the Share Escrow Agreement to be executed between our Company, the Selling Shareholders and the share escrow agent for the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until final listing and trading approvals are received from the Stock Exchanges, until which time all monies received shall be kept in a separate bank account in a scheduled bank, within the meaning of Section 40(3) of the Companies Act, 2013.

Only the statements and undertakings in relation to each of the Selling Shareholders and its respective portion of the Offered Shares which are specifically "confirmed" or "undertaken" by such Selling Shareholder in this Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such respective Selling Shareholders. All other statements and/ or undertakings in this Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Net Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in manufacturing activities in India (including contract manufacturing in India) is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

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 Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the Non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the Consolidated FDI Policy and the FEMA NDI Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. 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 Offer Period. Further, pursuant to Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the Consolidated FDI Policy has been further amended to, inter alia, define the expression "beneficial owner" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold, directly or indirectly, individually or cumulatively, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. The amendments under Press Note No. 2 (2026 Series) have been notified *vide* the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026 dated May 1, 2026, with effect from May 2, 2026.

In accordance with the FEMA NDI Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA NDI Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company on a fully diluted basis and the aggregate limit for FPI investment currently not exceeding the sectoral or statutory cap; and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated August 12, 2024 and Shareholders' resolution dated August 13, 2024, increased the limit of investment by NRI and OCI in the paid-up equity share capital of the Company including, without limitation, by subscription in the initial public offering in accordance with the SEBI ICDR Regulations, or direct purchase or acquisition from the open market or otherwise, from 10% to up to 24% of the paid-up equity share capital of the Company, provided however that the shareholding of each NRI or OCI in the Company shall not exceed 5% of the paid-up equity share capital on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time and the total shareholding of all NRIs and OCIs in the Company shall not exceed 24% of the paid-up equity share capital of the Company on a fully diluted basis or such other limit as may be stipulated by RBI in each case, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside

the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "*Offer Procedure*" beginning on page 513.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations or as specified in this Red Herring Prospectus.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below. No material clause of the Articles of Association having bearing on the Offer or the disclosures required in this Red Herring Prospectus has been omitted

*The Articles of Association of our Company include two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until commencement of listing and trading of equity shares of our Company ("**Equity Shares**") pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable, until the commencement of listing and trading of Equity Shares. All articles of Part B shall automatically terminate and cease to have any force and effect from the date of commencement of listing and trading of Equity Shares pursuant to the IPO and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its shareholders.*

PART A

SHARE CAPITAL AND VARIATION OF RIGHTS

Authorised Share Capital

The authorised share capital of our Company shall be such amount, divided into such class(es), denomination(s) and number of shares in our Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these Articles of our Company, subject to the provisions of applicable Law for the time being in force.

New Capital Part of the Existing Capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Kinds of Share Capital

Our Company may issue the following kinds of shares in accordance with these Articles, the Companies Act and other applicable Laws:

a) Equity share capital:

   (i) with voting rights; and/or

   (ii) with differential rights as to dividend, voting or otherwise in accordance with the Companies Act; and

b) Preference share capital.

Shares at the disposal of the Directors

Subject to the provisions of the Companies Act and these Articles, the shares in the capital of our Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of our Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit.

Consideration for Allotment

The Board of Directors may issue and allot shares of our Company as payment in full or in part, for any property purchased by our Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to our Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

Sub-division, Consolidation and Cancellation of Share Capital

Subject to the provisions of the Companies Act, our Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) 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 Companies Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Further Issue of Shares

(1) Where at any time the Board or our Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Companies Act, and the rules made thereunder:

(i) to the persons who at the date of the offer are holders of the Equity Shares of our Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under the Companies Act or thr rules made thereunder or other applicable Law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days or such other time prescribed under applicable Law, before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and our Company;

(A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of our Company and subject to the rules and such other conditions, as may be prescribed under applicable Law; or

(B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Companies Act and the rules made thereunder; provided that in respect of issue of shares as aforesaid, subsequent to listing of the Equity Shares of our Company on the Exchange(s) pursuant to the IPO, the price of the shares shall be determined in accordance with applicable provisions of regulations made by Securities and Exchange Board of India and/or other applicable Laws and the requirement for determination of price through valuation report of a registered valuer under the Companies Act and the rules made thereunder shall not be applicable unless otherwise required under the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(C) if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Companies Act and the rules made thereunder; provided that in respect of issue of shares as aforesaid, subsequent to listing of the equity shares of our Company on the Exchange(s) pursuant to the IPO, the price of the shares shall be determined in accordance with applicable provisions of regulations made by Securities and Exchange Board of India and/or other applicable Laws and the requirement for determination of price through valuation report of a registered valuer under the Companies Act and the rules made thereunder shall not be applicable.

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of our Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by our Company to convert such debentures or loans into shares in our Company or to subscribe for shares of our Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the shareholders of our Company in a General Meeting.

(4) Notwithstanding anything contained in Article 10 (3) hereof, where any debentures have been issued, or loan has been obtained from any government by our Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in our Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to our Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing our Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Companies Act and the rules made thereunder.

Right to Convert Loans into Capital

Notwithstanding anything contained in sub-clauses(s) of Article 10 above, but subject, however, to the provisions of the Companies Act, our Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by our Company to convert such debentures or loans into shares or to subscribe for shares in our Company.

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a special resolution passed by our Company in a General Meeting.

Issue of Further Shares Not to Affect Rights of Existing Members

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.

Allotment on Application to be Acceptance of Shares

Any application signed by or on behalf of an applicant for shares in our Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

Return on Allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Companies Act and other applicable Law, and as regards return on allotments, the Directors shall comply with applicable provisions of the Companies Act.

Money due on Shares to be a Debt to our Company

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares, become a debt due to and recoverable by our Company from the allottee thereof, and shall be paid by him accordingly.

Installments on Shares

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to our Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Members or Heirs To Pay Unpaid Amounts

Every Member or his heirs, executors or administrators shall pay to our Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

Application of Premium Received on Issue of Shares

(1) Where our Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" and the provisions of the Companies Act, relating to reduction of Share capital of our Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up capital of our Company.

(2) Notwithstanding anything contained in clause (1) above, the securities premium account may be applied by our Company:

i. in paying up unissued shares of our Company, to be issued to the Members of our Company as fully paid bonus shares;

ii. in writing off the preliminary expenses of our Company;

iii. in writing off the expenses of or the commission paid or discount allowed or any issue of shares or debentures of our Company;

iv. in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of our Company; or

v. for the purchase of its own shares or other securities under Section 68 of the Companies Act.

Variation of Shareholders' Rights

(a) If at any time the share capital of our Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Companies Act and whether or not our Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Companies Act.

(b) Subject to the provisions of the Companies Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

Preference Shares

(a) **Redeemable Preference Shares**

Our Company, subject to the applicable provisions of the Companies Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Companies Act, and the Directors may, subject to the applicable provisions of the Companies Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) **Convertible Redeemable Preference Shares**

Our Company, subject to the applicable provisions of the Companies Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Companies Act and the Directors may, subject to the applicable provisions of the Companies Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit.

(c) **Compulsorily Convertible Preference Shares**

Our Company, subject to the applicable provisions of the Companies Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis compulsorily convertible preference shares,

subject to the applicable provisions of the Companies Act, exercise such power as they deem fit and provide for conversion of such shares into such securities on such terms as they may deem fit.

(3) Payments of Interest out of Capital

Our Company shall have the power to pay interest out of its capital on so much of the shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for our Company in accordance with the Companies Act and other applicable Laws.

(4) Issue of Sweat Shares

Our Company may issue shares at discounted price or for consideration other than cash to Directors or employees who provide know-how to our Company or create an intellectual property right or other value addition, by way of sweat Equity Shares or in any other manner in accordance with the provisions.

(5) **Compromise, Arrangements and Amalgamations**

Subject to the applicable provisions of the Companies Act, our Company is empowered to enter into any schemes of arrangement or compromises with its creditors and/or members of our Company and/or any class of such creditors or members, including but not limited to hive-off or demerger of any of its business or units and also to amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.

SHARE CERTIFICATES

Issue of Share Certificate

Every Member shall be entitled, without payment, to one share certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several share certificates, each for one or more of such shares and our Company shall complete and have ready for delivery such share certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, our Company shall not be bound to issue more than one share certificate, and delivery of a share certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

New share certificates shall also be issued in the event of consolidation or sub-division of shares of our Company. Every such share certificate shall be issued in the manner prescribed under Section 46 of the Companies Act and the rules framed thereunder.

Particulars of every share certificate issued shall be entered in the register of members against the name of the person, to whom it has been issued, indicating the date of issue. Every share certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and our Company secretary, wherever our Company has appointed a company secretary and the common seal shall be affixed in the presence of the persons required to sign the certificate.

Rules to Issue Share Certificates

The Companies Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format and signing of the share certificates and records of the share certificates issued shall be maintained in accordance with the said Companies Act.

Issue of New Share Certificate in Place of One Defaced, Lost or Destroyed

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to our Company, a new share certificate may be issued in lieu thereof, and if any share certificate is lost or destroyed then upon proof thereof to the satisfaction of our Company and on execution of such indemnity as our Company deem adequate, being given, a new share certificate in lieu thereof shall be given to the party entitled to such lost or destroyed share certificate. Every share certificate under this Article shall be issued upon on payment of ₹ 20 for each share certificate or any such fees prescribed by the Board, which shall not exceed the maximum permissible amount prescribed under applicable Law. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Exchanges or the rules made under the Companies Act or the rules made under Securities Contracts (Regulation) Companies Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of our Company.

UNDERWRITING & BROKERAGE

Commission for Placing Shares, Debentures, Etc.

(a) Subject to the provisions of the Companies Act and other applicable Laws, our Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of our Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of our Company and provisions of the Companies Act shall apply.

(b) Our Company may also, in any issue, pay such brokerage as may be lawful.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

LIEN

(6) **Company's Lien on Shares / Debentures**

Our Company shall subject to applicable Law have a first and paramount lien:

(a) on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect; and

(b) on all shares/debentures (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to our Company. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of our Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

Our Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares our Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Lien to Extend to Dividends, Etc.

Our Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

Enforcing Lien by Sale

Our Company may sell, in such manner as the Board thinks fit, any shares on which our Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen (14) days', after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which our Company has exercised any right of lien.

Validity of Sale

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

Validity of Company's Receipt

The receipt of our Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

Application of Sale Proceeds

The proceeds of any such sale shall be received by our Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Outsider's Lien not to Affect Company's Lien

In exercising its lien, our Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. Our Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Provisions as to Lien to Apply Mutatis Mutandis to Debentures, Etc.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of our Company.

CALLS ON SHARES

Board to Have Right to Make Calls on Shares

The Board may subject to the provisions of the Companies Act and any other applicable Law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting.

Notice for Call

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to our Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

Call when Made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

Liability of Joint Holders for a Call

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Calls to Carry Interest

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Dues Deemed to be Calls

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Effect of Non-Payment of Sums

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in Anticipation of Call may carry Interest

The Board –

(a) May, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; 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 agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

Provisions as to Calls to Apply Mutatis Mutandis to Debentures, Etc.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of our Company, to the extent applicable.

FORFEITURE OF SHARES

Board to Have a Right to Forfeit Shares

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by our Company by reason of non-payment.

Notice for Forfeiture of Shares

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Receipt of Part Amount or Grant of Indulgence not to Affect Forfeiture

Neither a judgment nor a decree in favour of our Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by our Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by our Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Forfeited Share to Be the Property of Our Company

Any share forfeited in accordance with these Articles, shall be deemed to be the property of our Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

Entry of Forfeiture and Register of Members

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

(7) **Member To Be Liable Even After Forfeiture**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to our Company all monies which, at the date of forfeiture, were presently payable by him to our Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when our Company shall have received payment in full of all such monies in respect of the shares.

(8) **Effect of Forfeiture**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against our Company, in respect of the share and all other rights incidental to the share, except only such of those rights as expressly saved in terms of these Articles and as determined by the Board.

(9) **Certificate of Forfeiture**

A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of our Company, and that a share in our 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.

(10) **Title of Purchaser and Transferee of Forfeited Shares**

Our Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

(11) **Validity of Sales**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

(12) **Cancellation Of Share Certificate In Respect Of Forfeited Shares**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the share certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by our 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 duplicate share certificate(s) in respect of the said shares to the person(s) entitled thereto.

(13) **Board Entitled to Cancel Forfeiture**

The Board may at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

(14) **Surrender Of Share Certificates**

The Board may, subject to the provisions of the Companies Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

(15) **Sums Deemed to Be Calls**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(16) **Provisions As To Forfeiture Of Shares To Apply Mutatis Mutandis To Debentures, Etc.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of our Company.

TRANSFER AND TRANSMISSION OF SHARES

(17) **Transfers And Register Of Transfers**

Shares or other securities of any Member shall be freely transferable, provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.

Our Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. Our Company shall also use a common form of transfer, as prescribed under the Companies Act and rules notified thereunder and as per applicable requirements specified by the Exchanges.

Notwithstanding anything contained in the Companies Act or these Articles, where the shares or other securities are held by a Depository, the records of the Beneficial Ownership may be served by such Depository on our Company by means of electronic mode.

(18) **Endorsement Of Transfer**

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of our Company to authenticate such endorsement on behalf of our Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing share certificate in the name of the transferee.

(19) **Instrument Of Transfer**

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Companies Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Our Company shall use the form of transfer, as prescribed under the Companies Act, in all cases. In case of transfer of shares, where our Company has not issued any share certificates and where the shares are held in dematerialized form, the provisions of the Depositories Companies Act, 1996 shall apply.

(b) The Board may decline to recognize any instrument of transfer unless-

(i) the instrument of transfer is in the form prescribed under the Companies Act;

(ii) the instrument of transfer is accompanied by the certificate of 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

(iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

(20) **Execution Of Transfer Instrument**

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

(21) **Closing Register Of Transfers And Of Members**

Subject to compliance with the Companies Act and other applicable Law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

(22) **Directors May Refuse To Register Transfer**

Subject to the provisions of these Articles and other applicable provisions of the Companies Act or any other applicable Law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of our Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in our Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to our Company, or such lesser time as may be prescribed under applicable Law. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted

to our Company on any account whatsoever except where our Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.

Transfer Of Partly Paid Shares

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless our Company gives the notice of the application to the transferee in accordance with the provisions of the Companies Act and the transferee gives no objection to the transfer within the time period prescribed under the Companies Act.

Title To Shares of Deceased Members

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom our Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

Transfers Not Permitted

No share shall in any circumstances be transferred to any minor insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

Transmission Of Shares

Subject to the provisions of the Companies Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent Member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Rights On Transmission

A person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of our Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Share Certificates To Be Surrendered

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to our Company along with (save as provided in the Companies Act) properly stamped and executed instrument of transfer.

Company Not Liable To Notice Of Equitable Rights

Our Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares,

notwithstanding that our Company may have had notice of such equitable rights referred thereto in any books of our Company and our Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of our Company but our Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Transfer And Transmission Of Debentures

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of our Company.

ALTERATION OF CAPITAL

Rights To Issue Share Warrants

Our Company may issue share warrants subject to, and in accordance with provisions of the Companies Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Board To Make Rules

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Shares May Be Converted Into Stock

Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of our 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 our Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of the Articles of our 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.

Reduction Of Capital

Our Company may, by a Special Resolution as prescribed by the Companies Act, reduce in any manner and in accordance with the provisions of the Companies Act—

1. its share capital; and/or

2. any capital redemption reserve account; and/or

3. any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of our Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation Of Securities

(a) Our Company shall recognise interest in dematerialised securities under the Depositories Companies Act, 1996.

Subject to the provisions of the Companies Act, either our Company or the investor may exercise an option to issue (in case of our Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the share certificates in respect thereof shall be dematerialized, 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 Companies Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable Law.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, our Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Companies Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of our Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, our Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable Law required and subject to the provisions of the Companies Act, our Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

Our Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Companies Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Companies Act. Our Company shall have the power to keep in any state or country outside India, a Register of Members, of Members resident in that state or country.

Buy Back Of Shares

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Companies Act or any other law for the time being in force, our Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

Annual General Meetings

(a) Our Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two annual general meetings

(b) An Annual General Meeting of our Company shall be held in accordance with the provisions of the Companies Act.

Extraordinary General Meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary Meetings On Requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of our Company in the circumstances and in the manner provided under the Companies Act.

Notice For General Meetings

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Companies Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Companies Act. Notice shall be given to all the Members and to such persons as are under the Companies Act and/or these Articles entitled to receive such notice from our Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable Laws.

Shorter Notice Admissible

Upon compliance with the relevant provisions of the Companies Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice lesser than twenty one (21) clear days, if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

Circulation Of Members' Resolution

Our Company shall comply with provisions of Section 111 of the Companies Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

Special And Ordinary Business

(a) Subject to the provisions of the Companies Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Companies Act shall be annexed to the notice of the meeting.

Quorum For General Meeting

Five (5) Members or such other number of Members as required under the Companies Act or the applicable Law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

Time For Quorum And Adjournment

Subject to the provisions of the Companies Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

Chairman Of General Meeting

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of our Company.

Election Of Chairman

Subject to the provisions of the Companies Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

Adjournment Of Meeting

Subject to the provisions of the Companies Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Companies Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

Any Member who has not appointed a proxy to attend and vote on his behalf at a general meeting may appoint a proxy for any adjourned general meeting, not later than forty-eight hours before the time of such adjourned meeting.

Voting At Meeting

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

Decision By Poll

If a poll is duly demanded in accordance with the provisions of the Companies Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

Casting Vote Of Chairman

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

Passing Resolutions By Postal Ballot

(a) Notwithstanding any of the provisions of these Articles, our Company may, and in the case of resolutions relating to such business as notified under the Companies Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of our Company.

(b) Where our Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Companies Act.

If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTE OF MEMBERS

Voting Rights Of Members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up Equity Share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once.

Voting By Joint-Holders

In case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

Voting By Member of Unsound Mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

No Right To Vote Unless Calls Are Paid

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which our Company has lien and has exercised any right of lien.

Proxy

Subject to the provisions of the Companies Act, and these Articles, 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.

Instrument Of Proxy

An instrument appointing a proxy shall be in the form as prescribed under the Companies Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of our Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of our Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Validity Of Proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by our Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Corporate Members

Any corporation which is a Member of our Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of our Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of our Company (including the right to vote by proxy).

DIRECTOR

Number Of Directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year. Provided that our Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

Our Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Securities and Exchange Board of India (Listing Obligations and Discloure Requirements) Regulations, 2015 ("**Listing Regulations**"). The Board shall have an optimum combination of executive and independent directors ("**Independent Directors**"), as prescribed under applicable Law with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Share Qualification Not Necessary

Any person whether a Member of our Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

Additional Directors

Subject to the provisions of the Companies Act and Article 105 above, 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. Any such additional director shall hold office only up to the date of the upcoming Annual General Meeting, or the last day on which the Annual General Meeting should have been held, whichever is earlier, unless his/her appointment is regularized by the shareholders in such Annual General Meeting.

Alternate Directors

(a) The Board may, appoint a person, not being a person holding any alternate directorship for any other Director in our Company, to act as an alternate director for a Director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "**Original Director**").

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment Of Director To Fill A Casual Vacancy

If the office of any Director appointed by our Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

Remuneration Of Directors

(a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Companies Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Companies Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of our Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on our Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of our Company.

(c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of our Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of our Company and shall be entitled to be paid by our Company any remuneration that they may pay to such part time employees.

Remuneration For Extra Services

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of our Company may be situated for any purposes of our Company or in giving any special attention to the business of our Company or as member of the Board, then subject to the provisions of the Companies Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Continuing Director May Act

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of our Company, but for no other purpose.

Vacation Of Office Of Director

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Companies Act.

ROTATION AND RETIREMENT OF DIRECTOR

One-Third Of Directors To Retire Every Year

At the Annual General Meeting of our Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

Retiring Directors Eligible For Re-Election

A retiring Director shall be eligible for re-election and our Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

Which Director To Retire

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

Power To Remove Director By Ordinary Resolution

Subject to the provisions of the Companies Act, our Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director re-appointed for second term under the provisions of the Companies Act shall be removed by our Company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard.

Directors Not Liable For Retirement

Our Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to our Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

Director For Companies Promoted By Our Company

Directors of our Company may be or become a director of any company promoted by our Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Companies Act.

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings Of The Board

(a) The Board of Directors shall meet at least four (4) times a year with a maximum gap of one hundred and twenty days (120) between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Companies Act. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of our Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable Law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Questions At Board Meeting How Decided

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence or the Director presiding shall have a second or casting vote.

Quorum

Subject to the provisions of the Companies Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Companies Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

Adjourned Meeting

Subject to the provisions of the Companies Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

Election Of Chairman Of Board

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

Powers Of Directors

(a) The Board may exercise all such powers of our Company and do all such acts and things as are not, by the Companies Act or any other applicable Law, or by the Memorandum or by these Articles required to be exercised by our Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Companies Act or any other applicable Law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by our Company in a General Meeting; but no regulation made by our Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to our Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

Delegation Of Powers

(a) The Board may, subject to the provisions of the Companies Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

(c) The Board shall from time to time form committees of the Board and the Board shall determine the composition of such committees based on the statutory requirements and the skill sets of the Directors seeking representation of the committees and may also nominate chairperson of such committees.

Election Of Chairman Of Committee

(a) Subject to Article 122, a committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.

(b) The quorum of a committee may be fixed by the Board of Directors.

Questions How Determined

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

Validity Of Acts Done By Board Or A Committee

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

Resolution by Circulation

Save as otherwise expressly provided in the Companies Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

Maintenance Of Foreign Register

Our Company may exercise the powers conferred on it by the Companies Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

Borrowing Powers

(a) Subject to the provisions of the Companies Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of our Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of our Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by our Company apart from temporary loans obtained from our Company's bankers in the ordinary course of business shall not, without the sanction of our Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of our Company and its free reserves. Provided that every Special Resolution passed by our Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable Law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of our Company.

(d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable Law be issued at a discount, premium or otherwise by our Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be

for the benefit of our Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of our Company in General Meeting accorded by a Special Resolution.

Nominee Directors

(a) Subject to the provisions of the Companies Act, so long as any moneys remain owing by our Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom our Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of our Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in our Company as a result of underwriting or by direct subscription or private placement or so long as any liability of our Company arising out of any guarantee furnished on behalf of our Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any Law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "**Nominee Directors/s**") on the Board of our Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(c) Our Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of our Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of our Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by our Company directly to the Corporation.

(d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by our Company directly to the appointer.

Register Of Charges

The Directors shall cause a proper register to be kept, in accordance with the Companies Act, of all mortgages and charges specifically affecting the property of our Company and shall duly comply with the requirements of the Companies Act in regard to the registration of mortgages and charges therein specified.

Managing Director(S) and/ or Whole Time Directors

(a) The Board may from time to time and in accordance with the applicable provisions of the Companies Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

(c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members, as required under applicable Law.

(d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

Powers And Duties Of Managing Director Or Whole-Time Director

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Companies Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary

all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

Reimbursement Of Expenses

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of our Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of our Company and shall be entitled to be paid by our Company any remuneration that they may pay to such part time employees.

Chief Executive Officer, Manager, Company Secretary And Chief Financial Officer

Subject to the provisions of the Companies Act —

(a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

(b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of our Company as well as the managing Director or chief executive officer of our Company at the same time.

(c) A provision of the Companies Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

COMMON SEAL

Custody Of Common Seal

The Board shall provide for the safe custody of the common seal for our Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

Seal How Affixed

The Directors shall provide a common seal for the purpose of our Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of a Director and of our Company secretary or such other person duly authorised by the Directors or a committee of the Directors, who shall sign every instrument to which the seal is so affixed in his presence.

Our Company may exercise the powers conferred by the Companies Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

DIVIDEND

Company In General Meeting May Declare Dividends

Our Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

Subject to the provisions of the Companies 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 and as appear to it to be justified by the profits of our Company.

Right To Dividend And Unpaid Or Unclaimed Dividend

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where our Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, our 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 within

the said period of thirty (30) days, to a special account to be opened by our Company in that behalf in any scheduled bank.

(c) Any money transferred to the unpaid dividend account of our Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by our Company to the fund known as Investor Education and Protection Fund established under the Companies Act.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by Law.

(e) All other provisions under the Companies Act will be complied with in relation to the unpaid or unclaimed dividend.

Division Of Profits

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in our Company, dividends may be declared and paid according to the amounts of the shares.

Dividends To Be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Reserve Funds

(a) The Board may, before recommending any dividends, set aside out of the profits of our Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of our 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 our Company or be invested in such investments (other than shares of our Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

Deduction Of Arrears

Subject to the Companies Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to our Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to our Company on account of the calls or otherwise in relation to the shares of our Company.

Retention Of Dividends

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 57 to 70 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

Receipt Of Joint Holder

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

Dividend How Remitted

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Dividends Not To Bear Interest

No dividends shall bear interest against our Company.

Transfer Of Shares And Dividends

Subject to the provisions of the Companies Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

Capitalisation Of Profits

(a) Our Company in General Meeting, may, on recommendation of the Board resolve:

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of our Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).

(iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Companies Act in the paying up of unissued shares to be issued to Members of our Company as fully paid bonus shares.

(v) The Board shall give effect to the resolution passed by our Company in pursuance of these Articles.

Power Of Directors For Declaration Of Bonus Issue

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with our Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by our Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

ACCOUNTS

Where Books Of Accounts To Be Kept

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Companies Act.

Inspection By Directors

The books of account and books and papers of our Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Companies Act.

Inspection By Members

No Member (not being a Director) shall have any right of inspecting any account or books or documents of our Company except as conferred by Law or authorised by the Board.

SERVICE OF DOCUMENTS AND NOTICE

Members To Notify Address In India

Each registered holder of shares from time to time notify in writing to our Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

Service On Members Having No Registered Address

If a Member has no registered address in India, and has not supplied to our Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of our Company shall be deemed to be duly served to him on the day on which the advertisement appears.

Service On Persons Acquiring Shares On Death Or Insolvency Of Members

A document may be served by our Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

Persons Entitled To Notice Of General Meetings

Subject to the provisions of the Companies Act and these Articles, notice of General Meeting shall be given:

(a) To the Members of our Company as provided by these Articles.

(b) To the persons entitled to a share in consequence of the death or insolvency of a Member.

(c) To the Directors of our Company.

(d) To the auditors for the time being of our Company; in the manner authorized by as in the case of any Member or Members of our Company.

Provided that, in case of Members who are joint holders, notice shall be given to the joint holder who is first named on the Register of Members.

Notice By Advertisement

Subject to the provisions of the Companies Act any document required to be served or sent by our Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

Members Bound By Document Given To Previous Holders

Every person, who by the operation of Law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

Any notice to be given by our Company shall be signed by the managing Director or by such Director or company secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by our Company may be written or printed or lithographed.

WINDING UP

Subject to the applicable provisions of the Companies Act and other applicable Law–

(a) If our Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of our Company and any other sanction required by the Companies Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Companies Act, shall, in addition to his liability, if any, to contribute as an ordinary Member, be liable to make a further contribution as if he were at the commencement of winding up, a Member of an unlimited company, in accordance with the provisions of the Companies Act.

Application Of Assets

Subject to the provisions of the Companies Act as to preferential payment the assets of our Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in our Company.

INDEMNITY

Director's And Others' Right To Indemnity

Subject to the provisions of the Companies Act and other applicable Law, every Director and Officer of our Company shall be indemnified by our Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director or officer of our Company.

Insurance

Our 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 our Company for which they may be liable but have acted honestly and reasonably.

LOCK-IN OF EQUITY SHARES IN CONNECTION WITH INITIAL PUBLIC OFFERING OF THE COMPANY

(a) Notwithstanding anything to the contrary contained in these Articles, where any Equity Shares held by persons other than the promoter of the Company are required to be locked in under Regulation 17 of SEBI ICDR Regulations, in connection with the initial public offering of the Company and such lock-in cannot be created or recorded by Depositories for any reason whatsoever including where such Equity Shares are (i) subject to pledge; or (b) under "freeze balance" or "safekeep balance", at least one day prior to the commencement of the Lock-in Period, the Company shall have the power to issue instructions to the Depositories, directing them to record such Equity Shares as "non-transferable" for the duration of the applicable Lock-in Period. The aforementioned Equity Shares shall be treated as locked-in for the Lock-in Period as specified under the SEBI ICDR Regulations.

(b) In the event of invocation of the pledge of such Equity Shares by the pledgee, whether in whole or in part, the Equity Shares so transferred or received by the pledgee upon such invocation shall continue to remain locked-in in the account of the pledgee for the balance Lock-in Period as specified under the SEBI ICDR Regulations.

(c) In the event of release of the pledge of such Equity Shares by the pledgee, whether in whole or in part, the Equity Shares so released shall continue to remain locked-in in the account of the pledgor for the balance Lock-in Period as specified under the SEBI ICDR Regulations.

For the purposes of this Article, (a) "Lock-in Period" means the period for which the entire pre-issue capital of the Company held by persons other than the promoters, in case of an initial public offering of the Company, is locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations; and (b) "SEBI ICDR Regulations" shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended or re-enacted or replaced from time to time.

SECRECY CLAUSE

Secrecy

No Member shall be entitled to inspect our Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of our Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of our Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of our Company to communicate to the public.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details in relation to the Shareholders' Agreement, see *"History and Certain Corporate Matters – Shareholders' agreements and other agreements"* on page 311.

SECTION IX: 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 are attached to the copy of this Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of this Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at https://www.heromotors.com/investorrelationship and will be available for inspection from date of this Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

(1) Offer Agreement dated June 30, 2025, read with amendment to the offer agreement dated August 30, 2026 entered into amongst our Company, the Selling Shareholders and the Book Running Lead Managers.

(2) Registrar Agreement dated June 30, 2025, read with amendment to the registrar agreement dated August 30, 2026 entered into amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Bank Agreement dated September 9, 2026 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Account Bank(s) and the Refund Bank(s).

(4) Share Escrow Agreement dated September 3, 2026, amongst the Selling Shareholders, our Company and the Share Escrow Agent.

(5) Syndicate Agreement dated September 9, 2026 amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer and Syndicate Members.

(6) Monitoring Agency Agreement dated September 3, 2026 entered into between our Company and the Monitoring Agency

(7) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

(1) Certified copies of updated MoA and AoA, amended from time to time.

(2) Certificate of incorporation dated April 30, 1998 issued to 'Hero Briggs & Stratton Auto Private Limited' by the Registrar of Companies, Delhi and Haryana.

(3) Certificate of incorporation endorsed by Registrar of Companies, Delhi and Haryana for conversion to a deemed public company under section 43 of the Companies Act, 1956 and change of name to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998.

(4) Certificate of incorporation endorsed by Registrar of Companies, Delhi and Haryana for change of name to 'Hero Briggs & Stratton Auto Private Limited' with effect from June 1, 2001, pursuant to conversion into a private limited company upon the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956.

(5) Fresh certificate of incorporation consequent upon change of name dated April 10, 2003 issued to 'Hero Auto Private Limited' by the Registrar of Companies, Delhi and Haryana.

(6) Fresh certificate of incorporation consequent upon conversion to public limited company dated October 30, 2003 issued to 'Hero Auto Limited' by the Registrar of Companies, Delhi and Haryana.

(7) Fresh certificate of incorporation consequent upon change of name dated September 15, 2004 issued to 'Hero Motors Limited' by the Registrar of Companies, Delhi and Haryana.

(8) Resolution of our Board dated February 17, 2025, and August 28, 2026 authorising the Offer and other related matters, and the resolution of the Shareholders dated March 12, 2025, approving the Fresh Issue.

(9) Resolution of our Board dated June 30, 2025, approving the Draft Red Herring Prospectus.

(10) Resolution of our Board dated July 29, 2026, approving the corrigendum to the Draft Red Herring Prospectus.

(11) Resolution of our Board, dated August 28, 2026, approving the Addendum.

(12) Resolution of our Board dated September 9, 2026, approving this Red Herring Prospectus and the Abridged Prospectus.

(13) Resolution of the Board dated August 28, 2026, taking on record the participation of the Selling Shareholders in the Offer for Sale.

(14) Consent letter received from the Selling Shareholders as provided below:

Sl. No.	Name of the Selling Shareholders	Date of the consent letter
1.	OP Munjal Holdings	August 27, 2026
2.	Hero Cycles Limited	August 27, 2026

(15) Share purchase agreement dated November 17, 2023 between our Company and Hero Cycles Limited for acquisition of equity shares of STPL.

(16) Valuation report dated November 15, 2023 issued by Sundae Capital Advisors Private Limited in respect of valuation of equity shares of STPL.

(17) Shareholders' agreement dated December 15, 2020 executed between Hewland Engineering Limited, William Hewland, Siobhan Hewland and Hero International B.V.

(18) Share purchase agreement and deed of adherence dated September 23, 2022 executed between our Company and Hero International B.V. for acquisition of equity shares of HEL pursuant to shareholders' agreement executed between Hero International B.V., HEL, William Hewland, and Siobhan Hewland.

(19) Valuation report dated August 10, 2022 issued by Sundae Capital Advisors Private Limited respect of valuation of equity shares of HEL.

(20) Joint venture agreement dated October 27, 2021 executed between Yamaha Motor Co. Limited and our Company, including addenda to the agreement executed on March 11, 2022 and August 11, 2023 and deed of adherence dated March 11, 2022.

(21) Joint venture agreement dated March 7, 2025, executed between Vermogensverwaltung Plettenberg GmbH and Co KG along with its group companies, and our Company.

(22) Scheme of arrangement between our Company and Hero Cycles Limited and their respective shareholders and creditors, sanctioned by the National Company Law Tribunal, Chandigarh on November 4, 2022.

(23) Valuation report dated August 26, 2021 issued by Niranjan Kumar, Registered Valuer – Securities and Financial Assets in respect of the 2022 Scheme.

(24) Scheme of arrangement between Hero Cycles Limited and our Company and their respective shareholders, sanctioned by the High Court of Punjab and Haryana on October 9, 2015.

(25) Share Subscription and Purchase Agreement (the **"SSPA"**) and Shareholders' Agreement each dated December 7, 2022 (the **"SHA"**), executed between our Company, Hero Cycles Limited, South Asia Growth Invest LLC and South Asia EBT Trust and Pankaj Munjal, Charu Munjal, Aditya Munjal, Abhishek Munjal, Bhagyoday Investments Private Limited, Munjal Sales Corporation, Om Prakash Pankaj Munjal AOP, O P Munjal Holdings, amended by amendment agreements each dated December 28, 2022 to the SSPA and SHA, the second amendment agreement dated September 22, 2023 to the SHA, the third amendment agreement dated June 30, 2025 to the SHA (individually to be referred to as 'Hero SHA Amendment Agreement') and the second amendment agreement dated August 22, 2024 to the SSPA.

(26) Resolution passed by our Board on September 9, 2022 and our Shareholders' on December 2, 2022 appointing Abhishek Munjal as the Whole-time Director of our Company as well as board resolution dated May 29, 2026 and a Shareholders' resolution dated August 17, 2026 stating the terms of remuneration payable to Abhishek Munjal with retrospective effect from April 1, 2026.

(27) Resolution passed by our Board on September 9, 2022 and our Shareholders' on December 2, 2022 appointing Amit Gupta as the Managing Director and CEO of our Company as well as a board resolution dated May 29, 2026 and a shareholders' resolution dated August 17, 2026 stating the terms of remuneration payable to Amit Gupta with retrospective effect from April 1, 2026.

(28) Written consent dated September 9, 2026 from our Statutory Auditor, namely, Deloitte Haskins & Sells LLP, Chartered Accountants to include their names as required under section 26(1) 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 in in respect of their (a) examination report dated August 29, 2026 on the Restated Consolidated Financial Information, and (b) report dated September 9, 2026 on the statement of special tax benefits and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

(29) The examination report dated August 29, 2026 of our Statutory Auditor on the Restated Consolidated Financial Information, included in this Red Herring Prospectus.

(30) The statement of possible special tax benefits dated September 9, 2026 from our Statutory Auditors.

(31) Certificates dated September 9, 2026, respectively, issued by Ramesh C Agrawal & Co, Chartered Accountants, with respect to the (a) key performance indicators of the Company; (b) average cost of acquisition of shares by the promoters and selling shareholders and weighted average price at which equity shares of the Company were acquired; and (c) basis for Offer Price; (d) working capital requirements.

(32) Certificates dated September 9, 2026, respectively, issued by Ramesh C Agrawal & Co, Chartered Accountants, with respect to the (a) financial indebtedness of the Company; (b) remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel; (c) dividend policy (d) tax litigation; and (e) outstanding dues to creditors.

(33) Certificate dated June 27, 2025 issued by Neelam Gupta, Practising Company Secretary, in relation to certain missing historical corporate and secretarial records of our Company.

(34) Consents of our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsel to our Company as to Indian law, Banker to our Company, the Book Running Lead Managers, Registrar to the Offer, Syndicate Members and the Monitoring Agency.

(35) Written consent letter dated August 29, 2026 from Ramesh C Agrawal & Co., Chartered Accountants, to include their name as required under Section 26(1) 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 Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

(36) Written consent dated August 25, 2026, from Devinder Sheel Jain, on behalf of Deba Engineers & Consultants, Chartered Engineers and Approved Valuers, an independent chartered engineer to include their name as required under the 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 an independent chartered engineer in relation to the certificate dated August 28, 2026, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities.

(37) Resolution dated September 9, 2026 passed by the Audit Committee approving the KPIs.

(38) Report titled "*Industry assessment - Powertrain Solutions and Alloys & Metallics Components*" dated August 2026, prepared and issued by Crisil Intelligence and commissioned by our Company for the purposes of the Offer.

(39) Consent letter dated August 28, 2026, from Crisil Intelligence with respect to CRISIL Report.

(40) Copies of annual reports of our Company for the preceding three Fiscals.

(41) Letter from our Company submitted with RoC and Registrar of Companies, Delhi and Haryana dated June 29, 2025, through electronic mail, in relation to certain missing historical corporate and secretarial records.

(42) Due diligence certificate dated June 30, 2025 addressed to SEBI from the Book Running Lead Managers.

(43) In-principle listing approvals each dated August 7, 2025 issued by BSE and NSE respectively.

(44) Tripartite agreement dated May 14, 2024 amongst our Company, NSDL and the Registrar to the Offer.

(45) Tripartite agreement dated May 13, 2024 amongst our Company, CDSL and the Registrar to the Offer.

(46) SEBI final observation letter, bearing reference number SEBI/HO/CFD/RAC-DIL3/P/OW/2025/24308/1 dated September 12, 2025.

(47) Application dated December 18, 2024, filed by our Company with SEBI seeking exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations, from strict enforcement of Regulation 17 of the SEBI ICDR Regulations in relation to the imposition of the statutory lock-in on the 95 Equity Shares held by 12 public shareholders, due to their demat accounts being inactive or due to statutory freezing of such accounts.

(48) SEBI letter dated May 2, 2025, bearing reference no. SEBI/CFD/RAC-DIL1/12137 /1 granting exemption to our Company, under Regulation 300(1)(c) of SEBI ICDR Regulations, from strict enforcement of Regulation

17 of the SEBI ICDR Regulations, in relation to the imposition of the statutory lock-in on the 95 Equity Shares held by 12 public shareholders, due to their demat accounts being inactive or due to statutory freezing of such accounts.

(49) Letter dated April 25, 2025, submitted by our Company to SEBI, undertaking to create the requisite statutory lock-in on the shares under freeze, in accordance with Regulation 17 of the SEBI ICDR Regulations, in the event of unfreeze of such shares.

(50) Due diligence certificate dated December 18, 2024 submitted to SEBI by the BRLMs to SEBI, in relation to the exemption application dated December 18, 2024, filed by our Company with SEBI.

(51) Letters dated March 7, 2025 along with reminder dated March 18, 2025, sent by our Company to NCLT and CCIT, Income Tax Department, in relation to imposition of the statutory lock-in on shares under freeze, in accordance with Regulation 17 of the SEBI ICDR Regulations.

(52) Emails dated February 19, 2025 and March 3, 2025, received from NSDL by our Company, for imposition of the statutory lock-in on shares under freeze, in accordance with Regulation 17 of the SEBI ICDR Regulations.

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 notice to the Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

_____

Name: Pankaj Munjal

Designation: Chairman, Non-Executive and Non-Independent Director

Place: London

Date: September 9, 2026

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Abhishek Munjal

Designation: Whole-time Director

Place: Mumbai

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Amit Gupta

Designation: Managing Director and Chief Executive Officer

Place: Noida, Uttar Pradesh

Date: September 9, 2026

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Keshav Misra

Designation: Non-Executive and Non- Independent Director

Place: Delhi

Date: September 9, 2026

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Kulbir Singh

Designation: Non-Executive and Independent Director

Place: Delhi

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Pratibha Goyal

Designation: Non-Executive and Independent Director

Place: Ludhiana

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Sridhar Narayan

Designation: Nominee Director

Place: Mumbai

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Ashok Kumar Taneja

Designation: Non-Executive and Independent Director

Place: Delhi

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Jyoti Arora

Designation: Non- Executive and Independent Director

Place: Mumbai

Date: September 9, 2026

DECLARATION

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SIGNED BY DIRECTOR OF OUR COMPANY

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Name: Andrew Charles Palmer

Designation: Non-Executive, Independent Director

Place: United Kingdom

Date: September 9, 2026

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Name: Utkarsh Sanghi

Designation: Chief Financial Officer

Place: Noida, Uttar Pradesh

Date: September 9, 2026

DECLARATION BY O P MUNJAL HOLDINGS, AS A SELLING SHAREHOLDER

We, O P Munjal Holdings, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

For and on behalf of O P Munjal Holdings

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Authorised Signatory: Pankaj Munjal

Place: London

Date: September 9, 2026

DECLARATION BY HERO CYCLES LIMITED, AS A SELLING SHAREHOLDER

We, Hero Cycles Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Red Herring Prospectus.

For and on behalf of Hero Cycles Limited

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Authorised Signatory: Aditya Munjal
Place: Rajasthan

Date: September 9, 2026